

Poland

# CLINTON: THE FIGHT GOES ON

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TODAY:  
STAGE

# 'I Misled People; I Deeply Regret That'

## President's Speech Offers A Little Bit of Contrition With a Lot of Defiance

By Dan Balz  
Washington Post Service

WASHINGTON — No president has ever been forced to address such personal issues in a nationally televised address, and President Bill Clinton went further than he ever has in taking responsibility for his private behavior and expressing regret for the pain he has caused his family.

"I misled people, including even my wife," he said. "I deeply regret that."

But this was no mea culpa speech. This was Mr. Clinton as the country has seen him before when he faced political trouble. Mr. Clinton as defiant as he was contrite. Having bared his soul, he asked the country to take his side in a bitter political battle that has convulsed Washington for the past seven months. In that sense, the tone of his speech represented one of the biggest gambles of his presidency.

The president's advisers hoped the speech would mark the beginning of the end of the investigation by Kenneth Starr, the independent counsel. But in his sharp criticism of the intrusiveness of Mr. Starr's investigation, the president may have guaranteed that there can be no early cease-fire in a war that already has taken a political toll on the country.

The president's refusal to answer some questions during his grand jury testimony sets up the next phase of the battle. His advisers will now dare the independent counsel to pursue intimate details of Mr. Clinton's private life.

Even in a moment of contrition, the president's speech signaled a familiar strategy: renewed attacks on Mr. Starr's investigation, attacks designed to play to a scandal-weary public. White House officials believe most Americans are eager for the scandal to be over. The polls have told them that for months.

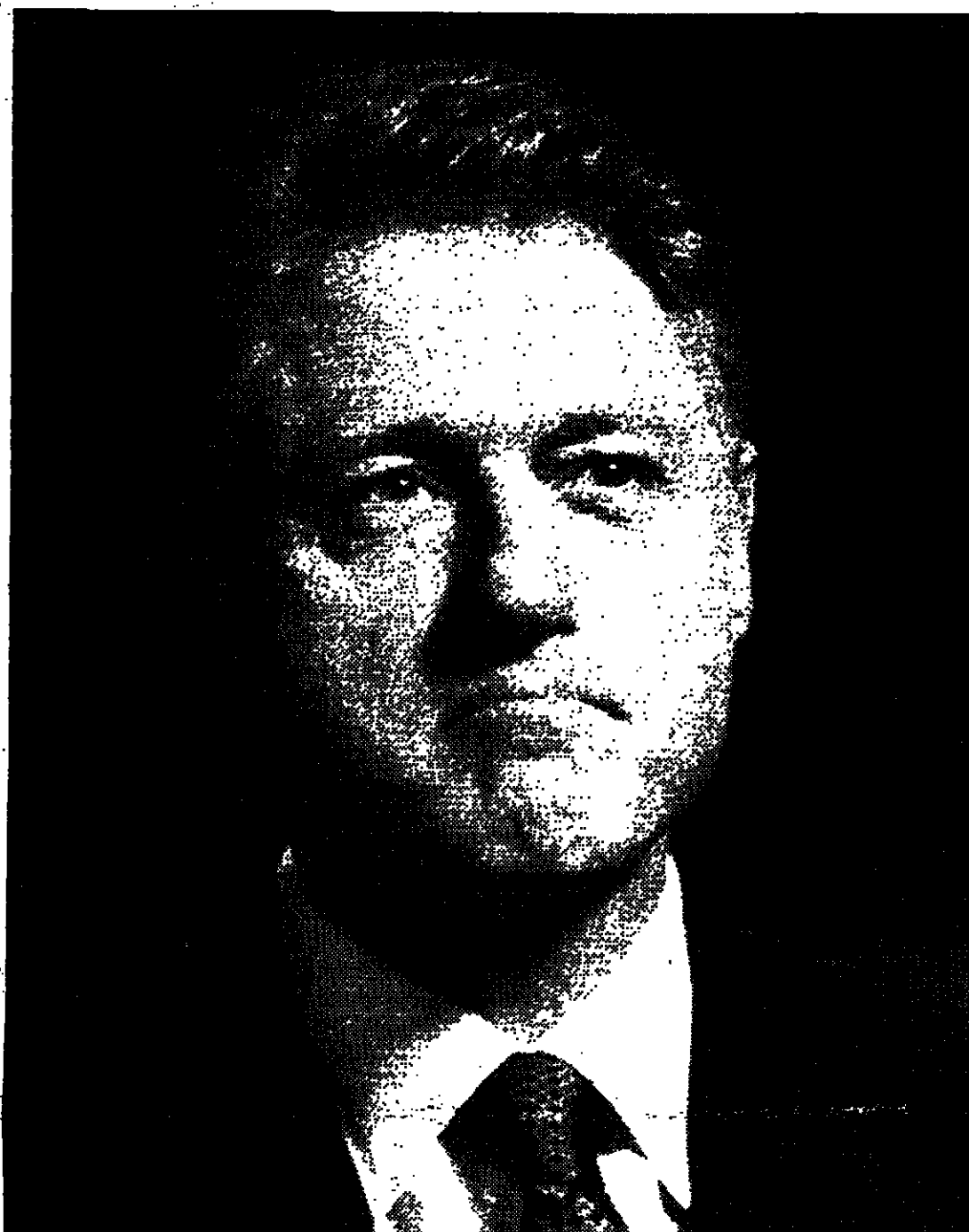
Their hope is to reduce Mr. Starr's investigation to matters of sex: to whether Mr. Clinton lied about a sexual relationship. If they succeed, they believe it will be virtually impossible for Congress to impeach him.

"They are singularly focused on the politics at the moment," a congressional Democrat said of the mood of lawmakers on Capitol Hill. "and the politics are: If some 70 percent of the public doesn't want to know about this, who are they to raise it?"

But the same person acknowledged that clear evidence of obstruction of justice or subornation of perjury could force congressional action. Mr. Starr will probably not report to Congress until early September.

With his leadership shattered by a credibility crisis of his own making, Mr. Clinton faces the most daunting challenge of his political career. He must attempt to rescue the final years of his presidency and his reputation in history.

See ATTACK, Page 8



President Bill Clinton admitting that his relationship with Monica Lewinsky was not appropriate.

## Character Rating Sinks, Raising Questions About Ability to Lead Nation

By Brian Knowlton  
International Herald Tribune

WASHINGTON — President Bill Clinton's televised admission of an inappropriate relationship with Monica Lewinsky brought a sharply critical response Tuesday from some Republicans and a sharp decline in the public's opinion of his character. But it left unanswered questions about the extent to which his ability to lead the nation has been compromised and where the investigation goes next.

Democrats and top presidential advisers rallied around Mr. Clinton on Tuesday and said it was time to bring a close to the Lewinsky matter. Americans, the polls showed, were disappointed by the president's admission but want him to stay in office.

And U.S. stocks, apparently boosted by Mr. Clinton's effort to put the matter behind him, rose Tuesday.

In a four-minute broadcast Monday night seen by nearly two-thirds of Americans, Mr. Clinton retreated from seven months of denials and admitted that he had had a relationship that was "not appropriate" with Ms. Lewinsky, 25, beginning when she was a White House intern.

Without offering specifics, he acknowledged "a critical lapse in judgment, a personal failure on my part, for which I am solely responsible." He said that "my comments and my silence about this matter gave a false impression."

But the embattled president shed no light on the specifics of the case that has brought embarrassment and peril to his administration. With Kenneth Starr, the independent counsel, working to complete a report to Congress, and the possibility that Mr. Clinton's testimony Monday might be leaked, there was a sense that explosive, or at least highly embarrassing, developments might still lie ahead.

Mr. Clinton spoke somberly, yet defiantly, from the same seat in the White House Map Room that he had occupied earlier for more than four hours as prosecutors from the office of the independent counsel asked him, in what was described later as a tense session, to reconcile his earlier denials with evidence that reportedly included Ms. Lewinsky's testimony of an 18-month affair.

While he said that what he had done was "wrong," Mr. Clinton did not specifically offer a public apology. He sounded an angry tone in denouncing the office of the independent counsel for its four-year investigation of his conduct and for "prying" into what he said were personal matters.

Referring to the investigation, he said, "This has gone on too long, cost too much and hurt too many innocent people."

Mr. Clinton denied that he had committed perjury regarding his relationship with Ms. Lewinsky and said that he had never asked anyone to lie.

The president made no public comment Tuesday. But he delayed

See CLINTON, Page 8

## Hedging Bets on White House

By Joseph Fitchett  
International Herald Tribune

PARIS — In Europe and Asia, President Bill Clinton's speech seemed to generate more questions than answers about the significance of the extraordinary scene of an American president asking the country to forgive him.

Iraqi media pronounced the president's humiliation an Israeli plot, but elsewhere the immediate reactions were uncertain, even ambivalent, about how to read this peculiarly American melodrama of politics and sex.

Most foreign commentators Tuesday were placing small bets that Mr. Clinton had secured his survival in office, but hedging them with doubts about his ability to rebound effectively.

Informed reactions were sparse; many news-

papers on both continents had closed their final editions before the president's appearance on television Monday night, and political leaders, bunkered down on August vacations, seemed content to withhold comment until the dust had settled.

But some newspaper commentators seemed to reflect a new sense of concern that Mr. Clinton's troubles had taken a heavier toll than previously assumed. Initial reactions came mainly from mainstream newspapers because most prominent television commentators and talk-show hosts were on vacation and Internet chat offered no significant-sounding new views on Mr. Clinton.

A German commentator expressed admiration for Mr. Clinton's ability to keep up presidential

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## Mea Culpa Leaves America Divided

• Clinton's mea culpa leaves Americans as divided about him as ever, Page 2.

• A day like no other in American history: A president testifies before a grand jury, Page 2.

• President's minimal testimony is a legal gamble, Page 3.

• The full text of the president's brief statement, Page 3.

• From Hawaii, Vice President Gore defends Clinton: "I am proud of him," Page 3.

## A Compulsion to Bend Rules

By Todd S. Purdum  
New York Times Service

WASHINGTON — On Jan. 20, 1997, as an ebullient Bill Clinton took the oath of office for the second term that he hoped would secure his place in history, he returned to a theme that had been at the core of his claim to be a new kind of Democrat, declaring: "Each and every one of us, in our own way, must assume personal responsibility, not only for ourselves and our families but for our neighbors and our nation."

Exactly one year later, Mr. Clinton learned that Kenneth Starr, the Whitewater independent counsel, was investigating accusations that the president had started a sexual relationship with a White House intern in 1995 and then tried to cover it up.

Had the man who won the presidency by speaking out for the people who "play by the rules" once more surrendered to a lifelong compulsion to bend and break them? Monday night, in the most painfully personal public confession of his life, and perhaps in American political life, Mr. Clinton was forced to acknowledge, in tight and reluctant tones, that he had.

"I must take complete responsibility for all my actions, both public and private," the president said, adding that his relationship with Monica Lewinsky was wrong and "constituted a critical lapse in judgment and a personal failure on my part for which I am solely and completely responsible."

How someone of such surpassing intellect and

See PSYCHE, Page 8

## IRA Offshoot Expresses Regrets for Ulster Bomb

'We Didn't Intend to Kill, and We Apologize'

By James F. Clarity  
New York Times Service

BELFAST — As the first victims, a pregnant Roman Catholic mother and her baby daughter, were buried Tuesday, three days after the deadliest terrorist attack in 29 years of sectarian violence in this British province, a Catholic splinter group claimed responsibility for the bomb, which killed 28 people and injured 220.

The group, calling itself the Real IRA, said it did not intend to kill people, but only to destroy property in the shopping district of Omagh, 60 miles (100 kilometers) west of Belfast. The group,

in a telephone call to a newspaper office in Dublin, denied assertions of police and ranking British and Irish officials that it gave a deliberately misleading warning to police before the bomb exploded. Police said the warning led them to move hundreds of shoppers closer to the bomb, rather than away from it. They said the warning stipulated the courthouse as the targeted area.

The Real IRA spokesman, using a recognized IRA code word to identify himself, said that in three phone calls on Saturday, two to Ulster Television in Belfast and one to the Samaritans, it was made clear that the bomb would be 300 to 400 yards away from the courthouse. Police said they had been told the courthouse was the target area, and moved people away from it.

The Real IRA, comprising about 100 Republicans, including some skilled in bombmaking, split away from the Irish Republican Army this year. The statement by the spokesman Tuesday said, "At no time was it said it was near the courthouse. It was a commercial target. Despite media reports it was not our intention at any time to kill any civilians. It was a commercial target. Part of an ongoing war against the Brits. We offer apologies to the civilians."

Seven hours before the statement,



Friends and family carrying the coffins Tuesday of Avril Monaghan and her baby daughter at the first burials of Omagh bomb victims.

## Russians Scramble for Dollars as Ruble Plummet

By David Hoffman  
Washington Post Service

MOSCOW — One day after it was allowed to float, the Russian ruble quickly tumbled on Tuesday, going even lower than the Central Bank said would be the limit for the rest of the year as Russians searched for U.S. dollars to protect their savings.

The dollar was in such demand that many exchange offices in Moscow and elsewhere exhausted their supply by midday.

On Monday, Russia in effect devalued the currency to stave off financial collapse. The ruble had been

trading at 6.3 to the dollar before the devaluation, and the Central Bank said on Monday that the outer limit would be 9.5 to the dollar by the end of the year.

But the currency went beyond that limit across the

World markets react calmly to ruble, Page 11.

country. Reports from Vladivostok to Moscow had buyers paying 10 to 12 rubles — in some places more — to get one dollar.

Although it may take days or weeks for the currency to stabilize, the first day suggested a fair amount of

uncertainty about how far the devaluation would go. In some places, the ruble hit 15 to the dollar. The Bank of Moscow and Bank Imperial stopped selling cash dollars, Interfax reported.

The news agency Prime-Tass quoted a Russian commercial bank official as saying that the credit card company Visa had urged Russian banks to stop issuing cash advances on its cards.

Prices were not yet being raised dramatically in Moscow, and the authorities threatened to send out inspectors to police against gouging.

See RUBLE, Page 15

Newsstand Prices

Andorra	10.00 FF	Lebanon	11.300
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1.600 CFA	Catar	10.00 QR
Egypt	EE 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1.100 CFA	Senegal	1.100 CFA
Italy	2.800 Lire	Spain	225 Ptas
Ivory Coast	1.250 CFA	Tunisia	1.250 Dn
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. M. (Eur.)	\$1.20

### AGENDA

#### In Congo, a Mood Of Menace Grows

"This is no time to debate the flaws of our leaders," said an 18-year-old recruit mobilized in Kinshasa to defend his homeland. "Our country is about to be swallowed up."

In the menaced capital, no one goes out into the streets after the sun goes down. Thousands of soldiers and new recruits, some trained with muffled pipes instead of rifles, mill about the city. They have been rallied to defend Congo against what is described as a Rwanda-instigated insurrection against the government of Laurent Kabila.

Once again, it seems that the neighbors of Congo will play the decisive role in what will happen in the country, under internal and external threat of division and more struggle, Page 8.

#### The Dollar

New York	Tuesday 4 P.M.	previous close
DM	1.8018	1.7935
Yen	144.85	145.955
FF	6.039	6.013
Pound	1.6166	1.6155

#### The Dow

Tuesday close	percent change
+139.80	8.714.65 +1.63%
S&P 500	

#### Nasdaq

Tuesday close	percent change
+17.53	1.101.20 +1.62%
Nasdaq	
+37.06	1.855.10 +2.04%

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## The Fight Goes On / A Disillusioned Public

## Clinton's Mea Culpa Leaves Americans as Divided About Him as Ever

## Impeachment? Not Important? Take Your Pick

By Sam Howe Verhovek  
New York Times Service

SEATTLE — Lisa Wessels describes herself as "pro-Clinton" and Scott Baker says he is "anti-Clinton," opposed points of view that have not prevented the Seattle couple from planning to marry. And when the two 30-year-olds met after work Monday evening and watched President Bill Clinton speak from the White House, both initially chose the same word to describe the address: "embarrassing."

But their words, it turned out, did not mean the same thing. Miss Wessels, a licensing specialist, felt bad for Mr. Clinton. "I can't believe that he had to do this, forced to stand up and talk about his private life like that," she said. "It was surreal. It's like I wasn't watching the president of the United States, I was watching Richard Dreyfus play the president of the United States in some bad movie. I feel sorry for him."

But for Mr. Baker, a recruiter for the software giant Microsoft, the embarrassment was for Americans in general. "I always told my friends he has no integrity, that squinty little twinkle in his eye," he said. "Now we know for sure. But I'm not happy about it. It's embarrassing for the country. This is our president."

Around the United States, in their homes and crowded around television sets in public places, Americans in huge numbers stopped what they were doing for four minutes Monday night to watch Mr. Clinton speak. But if such communal events often serve to bind people together in the face of a national tragedy or emergency, a series of conversations around the country afterward suggested that Mr. Clinton's speech had left people as divided about him as ever.

While many people, reflecting polls over the last several months and instant polls taken Monday night, still say the matter is not enough to warrant impeachment of Mr. Clinton, a clear undercurrent in others' characterizations was that now, more than ever, Mr. Clinton needs to go.

"This man lied in front of the nation, and he basically admitted it," said Mike Bagdassarov of Baltimore, an intelligence analyst for the Maryland state police. "He shouldn't be president. It's that simple."

Said Jim Eichelberger, an Atlanta lawyer: "I think it was typical Clinton — dishonest, blaming others, just what I anticipated. He owes it to the Democratic Party and the American people to resign."

Many of those who were inclined to forgive the president said they didn't believe his speech would put the Monica Lewinsky matter to rest, partly because, in their view, he did not really accept full responsibility for what happened.

"He's still trying to weasel out of it," said Janice Scallon,

an independent contractor for social-service programs in Chicago. "It wasn't even a full apology. Instead, he said it was inappropriate. If he just said, hey, he had sex with her, then it would be over."

While very few people seemed to watch the speech and find themselves liking the president any better than they had before, many said that they still felt strongly that the matter should be put to rest.

"I guess if you can't trust your president, that's something you've got to think really hard about," said Buddy Fry, manager of Slick Willie's Pool Hall in Houston, an establishment that got its name long before Mr. Clinton's critics started referring to him by that name in the 1992 campaign. "But hey, the economy is doing so well, as well as I can ever remember. If I have to weigh the economy against his sex life, I guess I'd have to go with the economy."

A New York Times/CBS News Poll taken immediately after the speech showed a continuation of the strong public desire to move beyond the scandal. Sixty-three percent of the respondents said the Lewinsky matter should be dropped, now that the president has testified to the grand jury and addressed the nation, compared with 18 percent who said he should resign and 12 percent who said Congress should begin impeachment proceedings.

And 65 percent said Mr. Clinton should have made a public statement about the relationship sooner, even as his job approval rating remained steady, in the high 60s.

The poll, based on a survey of 396 adults, has a sampling error of plus or minus 5 percentage points. Such instant, one-night polls are considered less reliable than polls, such as the typical New York Times/CBS News survey, that are based on larger samples and conducted over several days. Moreover, initial reactions sometimes change.

There was little expectation before the speech that the president could say much to justify himself, and little feeling afterwards that he had succeeded.

"There was nothing he could say," said Jeff Lewelling, a project coordinator for a welfare-to-work program in Chicago, who watched the speech at a local pub. "His credibility was totally shot."

In Austin, Texas, Shedric Jones, a 34-year-old shoeshine operator, said he was relieved, but not surprised, that the president had finally come out and explained to the American people that he had been wrong.

But Larry Foster, a 57-year-old pilot for American Airlines in Dallas, said he thought the president's remarks fell short. "He was hardly apologetic. I never saw any honest apology. He said, 'It's a personal matter.' It's not a personal matter. It affects every person in the United States. He swore to uphold the truth. It was

**It was typical Clinton — dishonest, blaming others, just what I anticipated. He owes it to the American people to resign.**



Across the country, Americans tuned in to the president's speech. Sherrie Landers of Tampa, Florida, who watched at a Jackson, Tennessee, bar, said of Mr. Clinton's explanation: "No way."

a very poor apology. It wasn't sincere. He wasn't contrite. To be sure, some people felt the opposite, that the president was too contrite.

"I wish he had said, 'Yes, I did it' — everyone knew that, anyway — but then was more forceful in saying, 'I did nothing illegal, that this whole investigation is wrong, it's costing too much time and money,'" said Andrea Wagner, an arts administrator in Seattle. "But instead he was like a dog with his tail between his legs. He was so caught up in being apologetic."

A surprising number of people said they found themselves thinking about his wife and daughter as he gave the speech.

Michael Doeckman, 45, a customer service representative for a telephone supply distributor in the Memphis area, said he felt deeply sorry for Chelsea Clinton, but not her mother. "I think she is so interested in his staying in office she will do

whatever it takes to stay there," he said. "But I would like to know exactly what she really thinks about this. I don't think we ever will know, but I'd like to."

Mr. Clinton's appeal that the nation focus on other issues bothered many who watched the speech, who described that as a transparent attempt at diversion.

The speech, with its criticism of Kenneth Starr's investigation, "kind of reminded me of Nixon's first Watergate speeches, talking about how important détente was," said Joe Heinen, a bartender. "Pretty shifty, actually."

Mary Drucker, a nursing student from Bellingham, Washington, described herself as "livid" after the speech. "It really burned me up when he said we should turn to the nation's problems. As far as I'm concerned, what he did goes to the heart of the nation's problems."

## A Day Like No Other

During Historic Confrontation, Government Chugs Along, Awaiting Outcome of Testimony

By R.W. Apple Jr.  
New York Times Service

WASHINGTON — It was a typical August day in the capital — air heavy with humidity, skies pewter-gray, a thunderstorm in the afternoon, traffic slack.

Vacationers' Bermuda shorts outnumbered locals' business suits. Yet it was also a momentous day, a day like no other in the republic's long history. For the first time ever, a president was giving testimony to a grand jury investigating possible criminal conduct on his part.

Sitting in the ground-floor Map Room at the White House, where Franklin D. Roosevelt kept track of the struggle against Hitler and the Axis powers, Bill Clinton was grilled by his nemesis, Kenneth Starr, the independent counsel, in the kind of taut face-to-face confrontation that few presidents ever endure.

Historic? Dramatic? Shakespearean in its grand conflicts?

That and more. The president's predicament, and especially the suggestion that he had been lying from the start about his relationship with Monica Lew-

insky, rapped against national myth. Truth-telling is a salient feature of American heroes, and even in a cynical age, the images of Honest Abe Lincoln and George Washington, who could not tell a lie, lurk in the public consciousness.

But this was a play without an audience. The few who gathered near the White House and the courthouse, where the grand jury sat, linked by closed-circuit television to the Map Room, saw nothing and heard nothing. There were no shadows on the wall or echoes on the wind for imagination to feast on.

Gazing at the horde of camera crews on the White House lawn, Cynthia Young, a 26-year-old social worker from Philadelphia, sensed the magnitude of the occasion but said she felt curiously unplugged. "It's kind of strange walking around here and not knowing what is actually happening."

The government, as is its wont, ground on. The Treasury Department sold \$5.79 billion in three-month bills at an average discount rate of 4.91 percent, the Parole Commission met in suburban Chevy Chase, Maryland, to discuss its budget and the Environmental Protection Agency considered ways to enable

people to use their home computers to detect impurities in drinking water. But everyone in Washington waited and waited, all day long — Hillary Rodham Clinton, Chelsea Clinton, lawyers, bureaucrats, reporters, tourists for word that the testimony had ended. Then they waited some more for the president's speech to the nation.



people to use their home computers to detect impurities in drinking water. But everyone in Washington waited and waited, all day long — Hillary Rodham Clinton, Chelsea Clinton, lawyers, bureaucrats, reporters, tourists for word that the testimony had ended. Then they waited some more for the president's speech to the nation.

Politicians were on their guard, especially Republicans. But some Democrats, including both members of Congress and presidential aides, said privately that they felt betrayed, having doggedly upheld Mr. Clinton's early denials only to be told at the last minute that he was changing his story. Finally, the president's private law-

yer, David Kendall, came out into the White House driveway to make what on one level sounded like a perfunctory statement but on another sounded like a polemic salvo in this war of words. A polemic contempt dripped from his description of a "four-year, \$40 million" investigation that had reached into Mr. Clinton's "private life."

**Tourists gathering at the White House fence at a historic moment. But there was nothing for them to hear or see of the president's testimony to the grand jury.**

Inside the White House, aides passed the four hours and more that the president testified, accompanied only by three lawyers, by telling each other raunchy jokes and making ribald puns — the same jokes, the same puns that lobbyists and others exchanged at water coolers around the city.

"It's like Election Day," one presidential adviser said, "except there aren't any exit polls."

Another remarked: "Everything is on hold. You wait, hope it goes well, but you can't do much."

Well, you can always spin. In Washington, that never stops completely.

So the White House let it be known that Erskine Bowles, the chief of staff, had done his best to rally the troops at the senior staff meeting Monday morning. He stressed "the importance of sticking together," two of the participants reported. He apparently did not echo the other half of Benjamin Franklin's famous injunction to his colleagues at the signing of the Declaration of Independence, "We must all hang together, or assuredly we shall all hang separately."

## TRAVEL UPDATE

## Sewage Spill Closes Eilat's Beaches

EILAT, Israel (AFP) — A massive spill of raw sewage from the streets and onto the beaches of this renowned Red Sea resort has forced the authorities to close most of the waterfront to bathers, officials said Tuesday.

Beaches along the three-kilometer (1.8-mile) main strip of hotels at the northern tip of the Gulf of Aqaba were closed by order of the Ministry of Health, dealing a severe blow to Eilat at the height of the summer tourist season.

The alert began over the weekend when a main sewage line collapsed. Tests of water off the main beaches found that bacteria from human waste was at 50 times the permitted level.

## Saudis Raise Internal Flight Fares

RIYADH (AFP) — Saudi Arabian Airlines, the Middle East's largest international carrier, will raise domestic fares by as much as 50 percent in an effort to reduce losses, a local newspaper reported Tuesday.

From Aug. 23, fares in first class will rise 50 percent while business class fares will rise 35 percent on the state-owned airline's internal flights, Al Iqtisadiyya said.

The airline had been operating at a loss mainly because of its policy of low fares for Saudis on internal flights.

## Correction

A caption on a Reuters photograph in Aug. 17 editions incorrectly said that the singer Joni Mitchell appeared at the Woodstock festival in 1969. Although she did not appear, she did write a hit song about it.

## WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.

## Europe

Country	High	Low	High	Low
Algeria	28/34	19/26	31/38	21/28
Austria	21/27	10/25	20/26	10/25
Belgium	21/27	10/25	20/26	10/25
Denmark	21/27	10/25	20/26	10/25
France	21/27	10/25	20/26	10/25
Germany	21/27	10/25	20/26	10/25
Greece	21/27	10/25	20/26	10/25
Ireland	21/27	10/25	20/26	10/25
Italy	21/27	10/25	20/26	10/25
Japan	21/27	10/25	20/26	10/25
Netherlands	21/27	10/25	20/26	10/25
Norway	21/27	10/25	20/26	10/25
Poland	21/27	10/25	20/26	10/25
Portugal	21/27	10/25	20/26	10/25
Romania	21/27	10/25	20/26	10/25
Spain	21/27	10/25	20/26	10/25
Sweden	21/27	10/25	20/26	10/25
Switzerland	21/27	10/25	20/26	10/25
Turkey	21/27	10/25	20/26	10/25
U.K.	21/27	10/25	20/26	10/25
U.S.S.R.	21/27	10/25	20/26	10/25

## North America

Country	High	Low	High	Low
Alaska	21/27	10/25	20/26	10/25
Canada	21/27	10/25	20/26	10/25
U.S.	21/27	10/25	20/26	10/25

## Asia

Country	High	Low	High	Low
China	21/27	10/25	20/26	10/25
India	21/27	10/25	20/26	10/25
Japan	21/27	10/25	20/26	10/25
Korea	21/27	10/25	20/26	10/25
Malaysia	21/27	10/25	20/26	10/25
Philippines	21/27	10/25	20/26	10/25
Singapore	21/27	10/25	20/26	10/25
Thailand	21/27	10/25	20/26	10/25
Taiwan	21/27	10/25	20/26	10/25
Vietnam	21/27	10/25	20/26	10/25

## Africa

Country	High	Low	High	Low
Algeria	28/34	19/26	31/38	21/28
Angola	28/34	19/26	31/38	21/28
Botswana	28/34	19/26	31/38	21/28
Cameroon	28/34	19/26	31/38	21/28
Chad	28/34	19/26	31/38	21/28
Cote d'Ivoire	28/34	19/26	31/38	21/28
Egypt	28/34	19/26	31/38	21/28
Ghana	28/34	19/26	31/38	21/28
Guinea	28/34	19/26	31/38	21/28
Kenya	28/34	19/26	31/38	21/28
Liberia	28/34	19/26	31/38	21/28
Mali	28/34	19/26	31/38	21/28
Morocco	28/34	19/26	31/38	21/28
Niger	28/34	19/26	31/38	21/28
Nigeria	28/34	19/26	31/38	21/28
Senegal	28/34	19/26	31/38	21/28
Sierra Leone	28/34	19/26	31/38	21/28
South Africa	28/34	19/26	31/38	21/28
Swaziland	28/34	19/26	31/38	21/28
Tanzania	28/34	19/26	31/38	21/28
Togo	28/34	19/26	31/38	21/28
Tunisia	28/34	19/26	31/38	21/28
Zambia	28/34	19/26	31/38	21/28
Zimbabwe	28/34	19/26	31/38	21/28

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## The Fight Goes On / Legal Strategy

## Clinton Takes Gamble With Spare Testimony

Hoping to Leave Starr Too Little Evidence

By Susan Schmidt  
and Ruth Marcus  
Washington Post Service

WASHINGTON — President Bill Clinton's legal strategy of denying any perjury and offering minimum details about his relationship with Monica Lewinsky appears to be a gamble that the independent counsel Kenneth Starr will be left without enough evidence to bring a criminal case or convince Congress to begin impeachment proceedings.

The centerpiece of Mr. Clinton's defense, as he told the country Monday night, is that, while admittedly misleading, his denial under oath last January that he had had a sexual relationship with Ms. Lewinsky was "legally accurate" and therefore did not constitute perjury. He asserted that he did not encourage Ms. Lewinsky to lie or obstruct justice in any way.

In acknowledging an improper relationship with Ms. Lewinsky but denying that he had lied under oath in his deposition in the Paula Jones sexual harassment case, Mr. Clinton appears to be adopting a narrowly legalistic view of the definition of "sexual relationship" used by the Jones lawyers and arguing that, whatever the nature of the contact between him and the former intern, it did not fit within that definition.

Answers that are technically true cannot constitute perjury even if they are misleading. But Mr. Clinton's apparent argument, even if it is accepted, does not address a number of other statements he made during the deposition, such as his assertion that he did not recall being alone with Ms. Lewinsky and did not discuss with her the subpoena from Ms. Jones's lawyers.

Nor does it take into account other evidence that Mr. Starr has amassed — for example, Ms. Lewinsky's reported testimony that she and Mr. Clinton discussed ways to hide their relationship

from the Jones lawyers and to avoid turning over gifts that had been subpoenaed.

More immediately, Mr. Clinton's angry public denunciation of the independent counsel and his refusal to answer some questions that prosecutors put to him Monday behind closed doors is a high-stakes strategy that raises the possibility of additional legal confrontations between Mr. Clinton and Mr. Starr.

Mr. Starr withdrew his initial subpoenas to the president in return for Mr. Clinton's promise to answer prosecutors' questions. But Mr. Clinton balked at answering what he considered unduly intrusive questions and cut off prosecutors' questioning at the agreed-upon hour, even though they had not finished.

Given that stance, Mr. Starr could reissue the subpoena and seek to have Mr. Clinton held in contempt if he refuses to comply, a possibility that prosecutors raised during their questioning.

For their part, the president's lawyers could take the approach they backed off from during the first round and challenge Mr. Starr's constitutional authority to summon a sitting president.

Mr. Clinton's refusal to answer prosecutors' questions on the grounds that they were too intimate is highly unusual. "Unless a witness has a legitimate privilege to refuse to answer a question or series of questions, they have to answer them," said Lawrence Barcella, a former federal prosecutor. "A witness can't just refuse to answer a question because he or she doesn't feel like it."

But a lawyer for Mr. Clinton, David Kendall, said the president was justified in refusing to answer because some of the questions about what transpired between Mr. Clinton and Ms. Lewinsky were improperly and unnecessarily graphic. "As to a very few highly intrusive questions, with respect to the specifics of this contact, in order to preserve personal privacy and institutional dignity, he gave candid, but not detailed, answers," Mr. Kendall told The Associated Press.

As he weighs the evidence against Mr. Clinton, Mr. Starr could still decide to seek an indictment of the president, although that is the least likely of the possible scenarios and one that is fraught with constitutional questions.

The more probable outcome is a report to Congress that will outline evidence of possible grounds for impeachment and that, legal sources said, could cite Mr. Clinton's refusal to answer all the questions posed to him as evidence of efforts to impede the grand jury investigation.

Mr. Starr's office was silent on its plans.

Mr. Starr's face-off with Mr. Clinton was the climax of seven difficult and bitter months of investigation and the last major step before Mr. Starr sends the matter to Congress for possible impeachment proceedings.

Now that he has secured the president's account of his relationship with Ms. Lewinsky, Mr. Starr may recall a few witnesses before the grand jury to test Mr. Clinton's story, the most likely being Ms. Lewinsky and Mr. Clinton's personal secretary, Betty Currie.

Mr. Starr may also want to question more Secret Service officers, and he has not yet obtained the full testimony of Bruce Lindsey, the deputy White House counsel and one of the president's closest friends.

But Monday's session with Mr. Clinton, however acrimonious, marks the beginning of the end for Mr. Starr's role in the scandal, a turning point that within weeks will likely move the investigation of Mr. Clinton to Congress, which has shown little enthusiasm for taking it on.

What is important, a Democratic congressional source said, is "whether Starr has anything other than the affair. If there is nothing else, the House will find a means to truncate this, but if there is something else, the House will have to do something more."

## Away From Politics

• Mississippi put a former Ku Klux Klan leader, Samuel Bowers Jr., on trial for the fifth time. He is charged with ordering a firebombing in 1966 that killed an African-American, Vernon Dahmer, who was helping people to register to vote. (AP)

• A New Jersey jury ordered the payment of back wages plus damages for emotional pain to a former state lawyer, Barbara Davis, who was sexually harassed by her supervisor, Richard Carley, in the state attorney general's office. (AP)

• Ten people have died after getting prescriptions for lethal medicines since Oregon's physician-assisted suicide law went into effect last November, state health officials said. The average age of the patients was 71. (AP)

• A woman who was imprisoned without trial for refusing to pay child support, Maria Manuela Dickerson, was freed Monday in Rhode Island after languishing behind bars, all but forgotten by the system, for 2½ years. (AP)

• Doctors misunderstand in about one case out of four whether cardiologists patients want to be resuscitated if their hearts stop, a study found. (AP)

• Levern Ward, convicted of killing his pregnant ex-girlfriend and two of her children and of cutting his nearly full-term son from the woman's womb, was sentenced in Wheaton, Illinois, to life in prison. The baby survived. (AP)

• An apparent domestic dispute led to an armed confrontation in Wilburton, Oklahoma. Sheriff Melvin Holly of Latimer County was wounded in the incident. (AP)



Bill Clinton in the Map Room, where he testified, before his speech.

## Text of Clinton's Speech

The Associated Press  
The text of President Bill Clinton's address to the nation, as transcribed by the Federal Document Clearing House:

Good evening.  
This afternoon in this room, from this chair, I testified before the Office of Independent Counsel and the grand jury.

I answered their questions truthfully, including questions about my private life, questions no American citizen would ever want to answer.

Still, I must take complete responsibility for all my actions, both public and private. And that is why I am speaking to you tonight.

As you know, in a deposition in January I was asked questions about my relationship with Monica Lewinsky. While my answers were legally accurate, I did not volunteer information.

Indeed, I did have a relationship with Ms. Lewinsky that was not appropriate. In fact, it was wrong. It constituted a critical lapse in judgment and a personal failure on my part, for which I am solely and completely responsible.

But I told the grand jury today, and I say to you now, that at no time did I ask anyone to lie, to hide or destroy evidence or to take any other unlawful action.

I know that my public comments and my silence about this matter gave a false impression. I misled people, including even my wife. I deeply regret that.

I can only tell you I was motivated by many factors — first, by a desire to protect myself from the embarrassment of my own conduct.

I was also very concerned about protecting my family. The fact that these questions were being asked in a politically inspired lawsuit, which has since been dismissed, was a consideration, too.

In addition, I had real and serious concerns about an independent counsel investigation that began with private business dealings 20 years ago, dealings, I might add, about which an independent federal agency found no evidence of any wrongdoing by me or my wife over two years ago.

The independent counsel investigation moved on to my staff and friends, then into my private life. And now the investigation itself is under investigation.

This has gone on too long, cost too much and hurt too many innocent people.

Now, this matter is between me, the two people I love most — my wife and our daughter — and our God. I must put it right, and I am prepared to do whatever it takes to do so.

Nothing is more important to me personally. But it is private, and I intend to reclaim my family life for my family. It's nobody's business but ours. Even presidents have private lives.

It is time to stop the pursuit of personal destruction and the prying into private lives and get on with our national life.

Our country has been distracted by this matter for too long, and I take my responsibility for my part in all of this. That is all I can do.

Now it is time — in fact, it is past time — to move on.

We have important work to do, real opportunities to seize, real problems to solve, real security matters to face.

And so tonight I ask you to turn away from the spectacle of the past seven months, to repair the fabric of our national discourse, and to return our attention to all the challenges and all the promise of the next American century.

Thank you for watching, and good night.

## Ever-Helpful Mrs. Clinton Rides Out the Pain

New York Times Service

WASHINGTON — The lawyer whose guidance and support has mattered most in the president's career — his wife — was not by his side when Mr. Clinton made his televised address to the nation or part of the legal team advising the president earlier in the White House Map Room.

Still, according to several advisers, Hillary Rodham Clinton played a pivotal role in crafting Mr. Clinton's public and private testimony in an extremely painful day in the history of her marriage and her husband's presidency.

According to one close associate of the president's, Mrs. Clinton helped write her husband's short speech and played an instrumental role in strategy meetings throughout the weekend.

"She has been the strength as usual," said the associate, who asked not to be identified. "The incredible fact is that she helped write the speech. How'd you like to have a wife like that?"

Mrs. Clinton's central role in helping her husband to prepare for his fateful grand jury testimony has coincided with reports that Mrs. Clinton had only learned in recent days that her husband was acknowledging an improper relationship with Monica Lewinsky.

Indeed, as the president and his advisers shifted their strategy away from categorical denials of any improper relationship with Ms. Lewinsky, some advisers stressed that one of the most difficult tasks confronting the president was to divulge an extramarital relationship to Mrs. Clinton.

In his televised address, the president said, "I misled people, including even my wife. I deeply regret that."

Of all the speculation that has washed over the capital in recent days, one question has provoked more conversation than others: What did the first lady know about her husband's relationship with the former White House intern, Monica Lewinsky, and when did she know it?

Several friends of Mrs. Clinton said they found it almost impossible to believe that she was in the dark about her husband's relationship with Ms. Lewinsky.

"That strikes me as ridiculous," said one friend who has seen Mrs. Clinton this month.



Dolly Kyle Browning, who is suing.

## Clinton Accused of 'Tortuous Interference'

Washington Post Service

WASHINGTON — Dolly Kyle Browning, a childhood friend of President Bill Clinton who has alleged they had an on-and-off affair over many years, has sued him and the New York City reporter Jane Mayer and her magazine. The charge isn't very sexy: "tortuous interference with business opportunities," plus defamation.

The business opportunity was Ms. Browning's plan to publish a semi-autobiographical novel, "Purposes of the Heart," about her alleged affair with Mr. Clinton, which the president denies. This was ruined, according to a suit filed Monday, after the reporter quoted Alfred Regnery as saying his company, the conservative Regnery Publishing house, would not touch the

book "with a 10-foot pole," that it "isn't particularly newsworthy" and that it is "far below our standards."

Ms. Browning is represented by Larry Klayman, whose group Judicial Watch has filed a raft of suits against the Clinton administration.

The charges against the president involve a well-publicized 1994 meeting with Ms. Browning at a high school reunion in Hot Springs, Arkansas.

Mr. Clinton wrote himself a memo saying he told Ms. Browning that her premise was untrue: "She said she would say it was a fantasy but she needed the money and she didn't care if it hurt me or the presidency." To complete the circle, that memo surfaced after Ms. Browning gave a deposition in Paula Jones' suit against Mr. Clinton.

Another said, "Come on. She's the smartest lawyer in town and the president has relied on her from the beginning."

## A Not-So-Grand Jury

WASHINGTON — To some legal specialists, members of Grand Jury 97-2 were significant participants in the historic testimony by President Bill Clinton, serving their role in the judicial process.

But to others, they were mere props — "cardboard cut-outs," as one expert put it — in a highly unusual legal drama. Unlike any grand jury whose work is aimed at deciding whether to indict a particular target, the grand jury investigating the president's relationship with Monica Lewinsky is in an anomalous position: gathering evidence that, most likely, it will never be asked to vote on to consider whether it merits indictment.

Instead, the information will probably simply be shipped to Congress for use in possible impeachment proceedings.

"The grand jury really will have nothing to say about this," said the Georgetown University law professor Paul Rothstein. "They are just sitting there."

They could be cardboard cut-outs because they have no role. He added, "The grand jurors lend an air of legitimacy to an investigation that is really fiction."

Legal experts are divided on the question of whether it is constitutional to indict a sitting president, and the independent counsel, Kenneth Starr, has not ruled out the possibility of seeking an indictment. For the time being, he appears to have chosen the route of reporting to Congress. For that reason, said the Harvard Law School professor Laurence Tribe, "The solemnity and seriousness with which people sometimes invest in the business of testifying before a grand jury is somewhat misplaced when the grand jury is part of the landscape rather than part of the decision-making." (WP)

## Richardson Cleared

WASHINGTON — A key Republican senator has cleared the U.S. chief delegate to the United Nations, Bill Richardson, of any attempt to mislead Congress in describing a job interview he gave to Ms. Lewinsky, and urged President Bill Clinton to swear in Mr. Richardson as secretary of energy.

In letters to both Mr. Clinton and Mr. Richardson, Senator Frank Murkowski, Republican of Alaska and chairman of the Energy and Natural Resources Committee, said a bipartisan investigation had "found no basis to believe that Ambassador Richardson had misled the committee in any way."

During his July 22 confirmation hearing, Mr. Richardson told Mr. Murkowski that he interviewed Ms. Lewinsky in November 1997 and offered her a job to fill a staff opening in New York.

Although the full Senate subsequently confirmed Mr. Richardson, Mr. Murkowski asked Mr. Clinton to delay the swearing-in while he investigated a Washington Times report that Mr. Richardson did not have a position to offer Ms. Lewinsky, had given her "special treatment" to get her a job and tried to cover up his actions when news broke of Ms. Lewinsky's alleged involvement with Mr. Clinton.

"We found no credible evidence" to support the Washington Times story, Mr. Murkowski said in a memo to committee members. "To the contrary, we found clear and convincing evidence corroborating the ambassador's testimony." (WP)

## Gore 'Proud' Of Testimony By Clinton

By B. Drummond Ayres Jr.  
New York Times Service

WASHINGTON — In the early days of the Monica Lewinsky investigation, Vice President Al Gore strongly defended President Bill Clinton against all allegations of wrongdoing, saying he was a strong and honest leader with whom he was proud to work.

But as the investigation dragged on, Mr. Gore adopted a somewhat modified approach to defending the president, saying instead that Mr. Clinton had denied any wrongdoing, and that there appeared to be no reason to question that denial.

Monday night, after the president appeared on nationwide television and admitted that he had been less than forthcoming about his relationship with Ms. Lewinsky, Mr. Gore, whose political hopes in the year 2000 could well depend on the outcome of the Lewinsky investigation, once again spoke out strongly in defense of Mr. Clinton.

"I am proud of him," he said in a statement issued by his office, "not only because he is a friend, but because he is a person who has had the courage to acknowledge mistakes. I am honored to work with this great president on his agenda for the nation and I believe it is time to put this matter behind us once and for all and move forward with the business of the United States of America."

Mr. Gore is on vacation in Hawaii, about as far away from Washington, the president and the grand jury as he could get and still be in one of the 50 states.

According to the statement, he telephoned the president after the television appearance and said that he and his wife, Tipper, had Mr. Clinton "in our hearts and in our prayers."

Jennifer Devlin, a press aide to Mrs. Gore, said the couple had gone to Hawaii for a work break that had been in planning for at least three months.

The Gores arrived in the islands on Aug. 11 and will depart Aug. 26 for San Francisco, where they will participate in several Democratic Party events before returning to Washington on Aug. 28.

Ms. Devlin said the couple have a sentimental attachment to Hawaii. They spent their honeymoon there in 1970 and have returned a number of times.

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## ASIA/PACIFIC

## Rural Muslim Guru's Appeal Worries Kuala Lumpur



Nik Aziz, chief minister of Kelantan state in Malaysia.

By Thomas Fuller  
International Herald Tribune

KOTA BARU, Malaysia — A small, frail man emerges from the back seat of a metallic gray Mercedes Benz and walks slowly past supporters who jostle to shake his hand. Men sit on blocked-off roads around the building where the old man, an Islamic preacher, will deliver his weekly sermon. Women are clustered on the fringes of the crowd.

Here in the northeastern Malaysian state of Kelantan, he is known respectfully as Tuan Guru, the learned one. But to Malaysia's governing coalition he is Nik Aziz, a serious threat, a man whose pious Muslim views could prove attractive to voters as the country grapples with deepening economic turmoil — and whose party could whittle down the coalition's overwhelming majority.

National elections must be called before April 2000, but many analysts say polls could come soon, before Malaysia's recession deepens.

No one expects Mr. Aziz, 67, a Muslim scholar who is the chief minister of Kelantan, to become prime minister after the next general election. But Mr. Aziz's popularity may force the governing party to shift a few notches toward Mr.

Aziz's view of the world and embrace some of the Islamic rituals that have been made into law in the state over the last few years.

While the rest of Malaysia uses the Western workweek, Kelantanese work Sundays and have Fridays off, according to Islamic tradition.

Since coming to power in 1990, the state government has required Muslim female employees to wear head scarves in shops and mandated separate supermarket checkout lines for women and men. Students in the state study Arabic as much as they do English, and although rock music is popular, concerts are banned.

Kelantan passed a law in 1994 requiring amputation of limbs for certain offenses — but the law was suspended by the federal government as unconstitutional.

All of this clashes with the modern face of Islam that Prime Minister Mahathir bin Mohamad has espoused during his 17 years in power — and that leaders before him have considered necessary in a multicultural country where 40 percent of the population of 21 million is not Muslim. (By contrast, just 3 percent of Kelantan's population of 1.3 million is not Muslim.)

The appeal of Mr. Aziz's party, the Pan-Malaysian Islamic Party, is

clear, and not only in Kelantan — the only state among the 13 that is not controlled by the governing coalition. The party recently set off alarm bells by winning a by-election in nearby Perlis state.

Voters appear to be attracted by Mr. Aziz himself and his simple lifestyle. With loose fitting robes and a stooped profile, Mr. Aziz looks like a Gandhi with a wispy white beard. He lives in a small, modest green house in a rural suburb of the city. He is a Muslim scholar who speaks Arabic and Urdu, and he preaches tolerance for all races.

"I don't want people to ask, 'What will we get if we vote for PAS,'" Mr. Aziz said, referring to his party. "We are not based on material things."

His aides emphasize his simple lifestyle and say Kelantan has fared better than the rest of Malaysia during the economic crisis because of the government's effort to endorse a more simple lifestyle as well as steady-as-she-goes development strategy.

"Most of the basic needs for Kelantan people are taken care of already," said Wan Ismail Wan Jusoh, a close aide. "We have good roads, 97 percent of our people have electricity, and we have a steady supply of water."

"The kind of people who have been affected by the crisis were involved in the stock market, they've been victimized by speculation, and maybe they took loans out from the bank that they can't repay," Mr. Wan Ismail said.

By contrast, he says, most Kelantan residents have not borrowed heavily. He is proud to point out that it often takes three to five years for Kelantanese to build a house. They continue building only when they have the money, rather than take a loan out from the bank.

While Kelantan has missed the acute effects of the regional economic crisis, by the same token, the state, one of poorest in the country, missed out on the boom.

When Mr. Aziz's party came to power — just as the rest of Malaysia was diversifying into high-end manufacturing and more recently, information technology — the party declared Kelantan a food-based state. There are very few factories in Kelantan, a stark contrast with neighboring Terengganu, which has giant petrochemical processing facilities and plastic factories.

Officials in the United Malays National Organization, the main component of the governing coalition, play down the significance of the Islamic party's victory in the by-election in the Arau district of Perlis state.

That victory gave the party a total of 8 seats out of 192 in the national Parliament. "Arau was complacency," said Annuar Musa, the highest United Malays official in Kelantan and a federal minister. "It was good as an early warning system."

There is a hitch in Mr. Aziz's election strategy. The leader's simple, nonmaterialistic approach to life may be the party's Achilles heel: The state's finances are suffering with lower timber sales this year, an indication that however hard officials try, Kelantan is linked to the outside world and the crisis that it has brought.

A United Malays official with links to the state's financial data said Kelantan may not be able to pay salaries by September if outside money is not found.

That may be groundbreaking. Nonetheless, Mr. Aziz acknowledged the problems with timber revenues and said Kelantan may seek money from the federal government this year.

"Since coming to power nine years ago, we have never borrowed money from the federal government," Mr. Aziz said. "So maybe this time we will ask for a soft loan." Details of that loan could be worked out when Mr. Mahathir visits the state later this month.

## Scandal-Dogged Former Film Star Holds India Coalition Captive to Her Whims

By Barry Bearak  
New York Times Service

MADRAS, India — Among great melodramas about politically powerful women — the *Evitas* and *Imeldas*, the risen and fallen, the adored and despised — India these days offers Jayalalitha Jayaram, a former movie star whose fierce control over a 27-vote bloc in Parliament threatens to topple the five-month-old Hindu nationalist government.

Notoriously imperious, clad in ornate capes, Jayalalitha, as she is known, was the chief minister of Tamil Nadu, a southern state, from 1991 to 1996, when she was voted out of office in disgrace.

Outlandish displays of sudden wealth gave credibility to allegations of corruption, and she faces charges in state courts in eight serious scandals.

Her political resurrection occurred after the national elections in February.

With no single political group any longer dominant in India, regional parties have assumed extraordinary importance. Her state party, the All India

Anna Dravida Munetra Kazhagam, won 18 seats in Parliament and then, in an alliance, picked up nine more.

The Hindu nationalist Bharatiya Janata Party won 178 seats but needed to forge a coalition with 18 smaller parties to form a government. Miss Jayaram's 27 votes made her Bharatiya Janata's biggest partner.

Bharatiya Janata has long declared itself a party of good governance, but its coalition with Miss Jayaram's party has left it vulnerable to the demands of a woman preoccupied with the prospect of prison.

This past week, in what has become a staple of Indian headlines, Miss Jayaram, 50, threatened to abandon the coalition. She promised a major announcement but then delayed it, saying "appropriate decisions" would be made at "an appropriate time."

"Her urgent need is to get out of these cases," said Cho Ramaswamy, a journalist whose own roots are in the Tamil film industry and who once was one of Miss Jayaram's closest friends. "She wants to bring down the central gov-

ernment, but she doesn't realize that no matter who is at the center, they will not be kindly disposed to this. Jayalalitha is not so politically sharp."

What she has been is one of India's mythic characters, whose loves and triumphs and humiliations have been an ongoing public soap opera.

"If I'm perceived as a strong and ruthless woman, it's because life has turned me into someone like that," Miss Jayaram recently told an Indian film magazine. "If I hadn't been tough, I wouldn't have survived."

Educated in a convent, she dreamed early on of being a doctor or lawyer. Instead she made her debut in Tamil movies at 13, pressed into the career by her mother, herself an actress. "I hated every minute," Miss Jayaram once reflected.

Within three years, the voluptuous teenager, big-eyed with a dimpled smile, was chosen to appear opposite the swashbuckling M.G. Ramachandran, the biggest star in Tamil films. Together, the two appeared in 28 movies and, though Mr. Ramachandran was married,

it was widely believed that Miss Jayaram was his leading lady off screen as well.

Eventually Mr. Ramachandran also would prove wildly popular as a politician. Though he was a Brahmin, he was a champion to the lower castes and rural masses. Elected chief minister, he brought Miss Jayaram, another Brahmin, into the All India Party as something of an apprentice.

Whether Mr. Ramachandran remained her mentor until his death in 1987 is disputed. But whatever the truth, Miss Jayaram tried to stake claim to Mr. Ramachandran's political base. She failed and became depressed until she befriended Sasikala Natarajan, the woman she has lived with off and on for a decade.

With Miss Natarajan, once a maker of videos, as her chief adviser, Miss Jayaram was elected chief minister of Tamil Nadu in 1991, and she finally seemed to have joined Mr. Ramachandran on the common man's pantheon of heroes.

She felt comfortable on a pedestal. Plywood cutouts of her image, some of them 8 stories high, were placed in busy

intersections in Madras, the state capital. Posters portrayed her as a Hindu goddess or the Virgin Mary.

One of her opponents was a Harvard-educated economist and political maverick named Subramanian Swamy. He investigated Miss Jayaram and began passing evidence of her alleged corruption to prosecutors here and in New Delhi.

"She made a public statement that she would crush me like a mosquito," Mr. Swamy said. "I must have escaped 12 attacks that might have ended my life."

After V.S. Chandrasekhar, a state official, made a critical remark about Miss Jayaram's government, she was moved to a lesser job. Nine days later, someone tossed a bottle of acid into her face.

The queenly chief minister seemed to be accumulating new wealth, and some began to call Miss Natarajan "the walking jewelry store."

Miss Jayaram adopted a friend's nephew as her "foster son." When he married she gave him a spectacular wedding party. Entire avenues in central Madras were recast as scenes from

Tamil mythology. Regiments of mounted horsemen marched in parade. Lunch was served to 12,000 guests.

"This marriage was almost a confessional statement of her corruption," said Mr. Ramaswamy, the journalist. "It was her undoing. People were disgusted."

But Tamil politics have long revolved around larger-than-life personalities, and disgust has a short shelf life in India. And now, in the world's largest democracy, with nuclear weapons at the ready and the rupee at a record low, the fate of the national government may well rest upon the whims of Miss Jayaram.

Recently, Bharatiya Janata emissaries have made pilgrimages to Miss Jayaram's residence, trying to soothe her hurt feelings. Coincidentally, perhaps, a government official who has pursued tax cases against Miss Natarajan has been removed from office.

Miss Jayaram has refused all requests for interviews. Oddly enough, a new confidante has been speaking for her — Mr. Swamy, the political maverick who once brought corruption charges against her.

## Waters Threaten Northern China City

The Associated Press

HARBIN, China — Soldiers struggled to keep a rain-swollen river out of this Chinese industrial center Tuesday after raging waters submerged tourist sites on a neighboring island.

The Songhua River washed over its banks in Harbin and threatened to devastate the northeastern provincial capital of 9 million people, but soldiers and police built a 1.5-meter-high (5-foot-high) restraining wall.

People fearing more torrential rains fled low-lying areas of the city to camp in small tents by the roadside. With the Songhua at a record depth and rising, Harbin braced for potentially the worst flooding in 50 years.

As tens of thousands of people worked to protect Harbin, millions manning dikes along the Yangtze River in central China held their breath as floodwaters crested for the sixth time this summer. Embankments made higher by weeks of sandbagging contained the waters as the flood crest passed through areas waterlogged by rain and flooding, state

media reported. Officials apparently put aside for now plans to dynamite some dikes to save cities downstream.

Seasonal rains that began earlier and fell heavier than usual have produced the worst flooding on the Yangtze in 44 years. More than 2,000 people have died nationwide in the flooding and millions have been made homeless.

China Central Television showed footage of medical teams examining flood victims, distributing medicines and putting purification chemicals in vats of drinking water.

The Communist Party's No. 2 and No. 3 leaders, Li Peng, the legislative chairman, and Zhu Rongji, the prime minister, telephoned officials in northeastern Jilin Province to make sure they were prepared for more flooding, the Xinhua news agency said.

In Jilin, 155,000 people were evacuated last week from Tongyu county in flooding on tributaries of the Nen River that destroyed two rail lines, Xinhua reported.

In neighboring Heilongjiang

Province, floodwaters have already washed over roads and rail lines connecting Harbin with Daqing, a city servicing the largest oil field in China. At the field, floods have inundated 1,391 wells, and production has been halted at an additional 280, the official China Daily reported.

The Songhua rolled over Sun Island near Harbin, leaving just the bridge connecting it to the city peaking above the waters. Soldiers evacuated more than 700 families and 52 businesses from the island, famed for a winter festival of ice sculptures and sports. Also moved were 52 Siberian tigers from a breeding center on the island.

More than 270,000 soldiers, oil workers and other civilians were working night and day to prevent the Nen River from overwhelming the Daqing oil fields. The Nen punched a 50-meter-wide hole in one embankment Monday, and soldiers worked to repair it and build up another dike that would be the final defense for the oil field and the 2.3 million people of Daqing.

## BRIEFLY

## Burma Rulers Meet Opposition

RANGOON — Senior members of Burma's military government and an opposition leader met for the first time in more than a year Tuesday while the dissident leader Daw Aung San Suu Kyi kept up a weeklong roadside protest.

The head of Burma's military intelligence arm, Lieutenant General Khin Nyunt, met U Aung Shwe, the chairman of the opposition National League for Democracy, or NLD, for 45 minutes in the afternoon, government officials said.

"We hope that this is the first in a series of confidence-building talks between the government and the NLD," a government statement quoted General Khin Nyunt as saying. (Reuters)

## Prostitution Flourishes in Asia

GENEVA — Prostitution in Southeast Asia has burgeoned so rapidly that it is now one of the region's big employers and money-earners, a UN report to be published Wednesday says.

Commercial sex is crucial to the livelihoods of millions of workers beyond the prostitutes themselves and provides governments with substantial revenue, the 232-page International Labor Organization study says.

It accounts for 2 percent to 14 percent of gross domestic product in Indonesia, Malaysia, the Philippines and Thailand, the report says. (AP)

## U.S. Shows Korea Spy Photos

SEOUL — The United States has shown South Korea spy satellite photos of a huge North Korean underground complex that could be used as the heart of a nuclear weapons program, the South Korean Foreign Ministry said Tuesday.

The satellite photos showed thousands of workers burrowing into a mountainside near Yongbyon, the site of a nuclear plant that had been mothballed under a 1994 accord, said Lee Ho Jin, the Foreign Ministry spokesman.

"We have been briefed by the intelligence community of the United States," Mr. Lee said. (Reuters)

## For the Record

The leader of the New Zealand First party, Winston Peters, said Tuesday that his party was withdrawing from the center-right coalition government, leaving Prime Minister Jenny Shipley with a minority government. But Mrs. Shipley appears safe for now, with 62 votes in the 120-member Parliament. (Reuters)

## INTERNATIONAL

## Albright Warns Taleban on Aid to Terrorists

By Thomas W. Lippman  
Washington Post Service

NAIROBI — Secretary of State Madeleine Albright signaled the Taleban Islamic movement in Afghanistan on Tuesday that it would improve prospects for U.S. recognition and acceptance by the United Nations if it stopped giving shelter to known or suspected terrorists.

In a grueling, emotional day of touring the bomb-devastated U.S. embassies here and in Tanzania, and saying "very sorry" to the many African victims, Mrs. Albright repeatedly denounced the bombings as "murder."

She promised her hosts countries that the United States would stand by them.

Mrs. Albright refused to comment on the status of the investigation into the coordinated Aug. 7 explosions that destroyed the two U.S. embassies and killed more than 250 people, including 12 Americans.

But she stressed that the activities of a renegade Saudi, Osama bin Laden, were "inimical to those of civilized people."

"Whatever the connection to this," she added, "I have said previously that his funding of terrorist activities is something that the world has been quite aware of."

Mr. bin Laden, widely suspected of having sponsored the bombs that

ripped through the two embassies, is believed to be living in Afghanistan under Taleban protection.

The Taleban, an organization of rigidly conservative Muslims who practice a sort of pre-industrial version of Islam and have banned women from most schools and jobs, have won control over most of Afghanistan.

They have imposed their vision of Islam on Afghanistan's people, prompting Mrs. Albright to brand the movement as "despicable" because of its treatment of women.

Washington has refused to recognize the group as the legitimate government of Afghanistan.

But now the group may have some bargaining power with the United States because it controls access to Mr. bin Laden and his militantly anti-American followers, some of whom have publicly committed themselves to attacking U.S. targets.

"The Taleban is a faction, which we are not recognizing," the secretary of state said at a brief news conference in Dar es Salaam, Tanzania, before flying here.

"We believe there needs to be a broad-based government in Afghanistan. I have pointed out that they are lacking in a whole lot of areas."

She indicated that this included tolerance of narcotics trafficking. "Frankly," Mrs. Albright added, "I think that a way for them to show

that they wish to be part of the international community is to cooperate, and not harbor terrorist elements."

The Taleban and Mr. bin Laden claim to be acting in the name of Islam, but one of Mrs. Albright's themes as she visited the ruined embassy sites and met with the staffs was her belief that invoking religious motivation for the anti-U.S. attacks was spurious.

"Terror is not a form of political expression and certainly not a manifestation of religious faith," she said. "It is murder, plain and simple, and those who perpetrate it, finance it and otherwise support it must be opposed by all decent people."

On a blackened fragment of wall next to the crater left by the bomb in Tanzania, she hung a poster showing a victim of the Nairobi embassy disaster being pulled from the rubble and proclaiming, "This is not politics, this is not religion. This is murder."

The poster offers a reward of up to \$2 million for information leading to the arrest and conviction of the conspirators. Mrs. Albright brought thick bundles of the posters, in English and Swahili.

The secretary of state's trip was an effort to show solidarity with the embassy staffs, sympathy for victims and also support for Kenya and Tanzania as they try to recover from the damages and loss of life.

Mr. Albright saluted members of the U.S. Foreign Service who, she said, were but doing their jobs in very difficult circumstances.

The bombings have disrupted operations throughout the State Department, including Mr. Albright's own schedule.

At a hospital here, she greeted Barnabas Okwogo, 41, badly cut in the blast, by saying, "Pole sana" — Swahili for "Very sorry."

That, she said, was her message to the people of Kenya — "Very sorry" for the deaths, the injuries, the suffering of families, the economic loss and a widespread sense that American security and rescue teams had cared more about U.S. personnel than about local victims.

Addressing the Kenyans in a speech broadcast on television from the rubble-stricken embassy site, Mrs. Albright declared:

"I cannot say we acted perfectly, but I believe allegations of callousness are wrong. In the circumstances, amid the horror, the fear and the different jobs that had to be done, it's not surprising that there were misunderstandings."

She said that armed U.S. Marines at the embassy, who kept anguish-stricken Kenyans out of the blast zone, did so out of concern for their safety amid falling rubble and fears of a second explosion — "not indifference to their anxiety."

## Warsaw to Take Steps To Remove Crosses

WARSAW — Seeking to end a controversy that has touched the painful memory of the Holocaust, the Polish government said Tuesday it would terminate a lease for property where a controversial cross stands near Auschwitz.

The cross has sparked a dispute between Poland and Israel, inspiring conservative Roman Catholics to erect dozens more smaller crosses on the same site to protest efforts by Jewish groups to have the original, larger cross removed.

Tuesday's announcement indicated the Polish government wants to take control of the land from a war victims' association to gain more leverage in seeking a compromise acceptable to Jewish groups and the Catholic Church, which has urged that the crosses be removed and which is a major power in Polish society. (AP)

## 2 Headless Bodies Dumped in Algeria

ALGIERS — The decapitated bodies of two men were dumped on the roadside in Had Sahari in southern Algeria after they were abducted and murdered by an armed gang, the Al Khabar daily reported Tuesday.

The gang took the men's heads but

dumped their bodies on the roadside in the early hours of Monday morning, the newspaper said. (AFP)

## King Fahd Goes Home

RIYADH — King Fahd of Saudi Arabia left the hospital Monday evening to convalesce after having undergone an operation to remove his gallbladder, the royal family said.

The king, almost 80 years old, was also "successfully" treated for an inflammation of the intestine after being admitted to King Faisal hospital in Riyadh on Aug. 2, the statement said.

His gallbladder was removed on Wednesday in the second operation in 10 days after he had pus removed from his abdomen. It was the third time he had been hospitalized in three years. (AFP)

## Mexico City Has a Plan

MEXICO CITY — Mexico City, where one in five residents has been a crime victim this year, has launched a \$25 million program to fight lawbreakers and reform the city's notoriously corrupt police force.

Mayor Cuauhtemoc Cardenas and Interior Minister Francisco Labastida, both seen as potential presidential candidates in 2000, signed a pact setting up an anti-crime fund for new information systems, prison reform and "professionalization" of the police. (Reuters)



## EUROPE

## 2 Sides in Kosovo Refuse to Sit Down to Talks

Compiled by Our Staff From Dispatches

PRISTINA, Yugoslavia — Ethnic Albanian negotiators refused to meet their Serbian counterparts Tuesday for talks on the future of Kosovo, despite intense efforts by U.S. diplomats to bring the two sides together.

The American diplomatic initiative was led by Christopher Hill, the ambassador to Macedonia, who first met with the designated Albanian negotiators and then conferred separately with Ibrahim Rugova, the pacifist leader despised by the Kosovo rebels.

After meeting the Albanian leaders, Mr. Hill conceded to reporters that no immediate progress had been made. But he vowed that foreign powers would "stay at it and we're going to stay at it until we succeed."

Mr. Hill, who has been shuttling between leaders on both sides, reiterated that neither side should count on achieving anything by force.

But while there were no new reports of fighting between rebel ethnic Albanians and Serbian security

forces, the two sides made it clear that they were no closer to sitting down for talks.

Fehmi Agani, coordinator of the negotiating team appointed last week by Mr. Rugova, said an offer by the chief Serbian negotiator, Deputy Prime Minister Ratko Markovic, had been "timed for propaganda."

Mr. Agani said he had written to Mr. Markovic that talks should continue as soon as possible, but only after "an end to violence over the Albanian civilian population and to military and police repression."

Even if and when the two sides meet, prospects for a negotiated resolution are dim.

The negotiations are being boycotted by ethnic Albanian opposition parties and the Kosovo Liberation Army, which is fighting for independence of the Serbian province, where Albanians account for 90 percent of the population of 2 million.

Kosovo is in Serbia, the dominant Yugoslav republic.

Foreign Minister Paskal Milo of

neighboring Albania said that what he called the Kosovo ethnic-cleansing policy of President Slobodan Milosevic of Yugoslavia was hampering the start of negotiations.

He renewed Tirana's call for international intervention in the province.

"There is no clear prospect for the start of the talks because of the policy of ethnic cleansing followed by Milosevic and the Serb troops' military offensive against Albanians in Kosovo," Mr. Milo said.

"The development of events there until now, and the Bosnia experience, show that the international community should start dynamic action on the ground to achieve dialogue," he said.

NATO forces began a six-day military exercise in Albania on Monday, and alliance officers said it was designed in part to show belligerents in the region that "NATO is ready."

"NATO has a wide range of contingencies and options ranging from peace support to combat opera-

tions," said Admiral Joe Lopez, the U.S. commander of alliance forces in southern Europe.

Serbian authorities have not directly commented on the NATO exercises, but reporters in Kosovo said they noticed a marked increase in overflights by Yugoslav Air Force jets, counting about a half-dozen such flights in the morning alone.

More than 500 people have been killed and an estimated 200,000 — about 10 percent of the province's population — displaced in six months of violence in the southern-most Serbian province.

Relief agencies have warned of a looming humanitarian crisis in Kosovo unless people return to their homes and farms before the onset of cold weather in about two months.

A four-week-long Serbian offensive seemed to have attained most of its objectives over the weekend when the western hill town of Junik, a key logistic and arms-running base of the Kosovo Liberation Army, fell to Serbian forces. (AP, Reuters)



U.S. Marines taking Albanians' blood pressure Tuesday during NATO maneuvers.

## BRIEFLY

## Albanian Slain During Shoot-Out in France

MULHOUSE, France — An Albanian national was killed and two French customs officers and another Albanian were wounded in a shoot-out on a Brussels-Rome night train near Mulhouse, eastern France, paramedics said Tuesday.

The shooting occurred during a routine customs check when the train was headed for Basel, Switzerland, the rescue workers said.

## Bomb Injures Owner of Nightclub in Cyprus

LIMASSOL, Cyprus — A bomb exploded outside a nightclub in this coastal resort, seriously wounding the owner in what police say they fear is the latest outbreak of gangland violence on the island.

Charlampos Neoptolemos, 29, was injured by the bomb late Monday night in an attack the police linked was part of an escalating struggle between underworld gangs to control gambling, prostitution and the explosion was the third suspected gangland attack on the Mediterranean island in less than three weeks. (AFP)

## Hospitalized Politician Out of Danger in Spain

CORDOVA, Spain — Julio Anguita, a communist leader, was out of danger Tuesday after being hospitalized for a heart attack, a hospital source said.

The 57-year-old leader of the left-leaning Izquierda Unida, Spain's third-largest political group, was expected to leave Queen Sofia Hospital on Friday after being admitted Monday.

Mr. Anguita, who is also secretary-gen-

eral of the Spanish Communist Party, retired temporarily from politics after a heart attack in 1993. (AP)

## Greek Court Releases Exhibitionist Tourists

ATHENS — Authorities released four British tourists who had been jailed for baring their buttocks in front of one of the wonders of ancient Greece, a judicial official said Tuesday.

A court on the island of Crete had jailed the tourists, all in their 20s, for seven to 10 months Friday after ruling that they had caused a scandal by stripping in front of the throne of Minos at Knossos. But an appeal court freed the four Monday after they paid fines of 200,000 drachmas (\$660) and said they were sorry. (AFP)

## Ukraine Police Destroy 2 Fields of Marijuana

KIEV — Ukrainian police destroyed a field of 2,000 marijuana plants in the eastern Donetsk region, a newspaper reported Tuesday.

Police discovered the field after destroying 10,000 marijuana plants growing about 30 kilometers (19 miles) away, the daily Fakty said. (AP)

## Hitler Painting Found in Vehicle in Valencia

VALENCIA, Spain — A painting attributed to Adolf Hitler that was stolen in this eastern Spanish city 16 months ago was found Monday, the police said.

"Woman in Blue" was found in a vehicle along with two other paintings. Their total estimated value is 4 million pesetas (\$26,600). (AFP)

## Neglect Charged in UN Jail Death of Bosnian Serb

By Marlies Simons  
New York Times Service

PARIS — A Bosnian Serb who died this month in a cell while being tried by the United Nations war crimes tribunal in The Hague died of internal bleeding because he did not receive proper medical care, his lawyer said.

The lawyer, Dusan Vucicevic, said the tribunal was guilty of negligence and of causing the "wrongful death" of his client. He said he would demand that it pay damages to his client's family in Bosnia.

His client, Milan Kovacevic, a former politician and medical doctor in Prijedor, Bosnia, died Aug. 1 at 57 of what the tribunal called a heart

attack. Mr. Vucicevic is a Serbian-American who practices law in Chicago and is also a physician who attended his client's autopsy. In a telephone interview from his office, he contended that Mr. Kovacevic had died not of a heart attack but of abdominal bleeding because of errors by the prison staff.

He said other inmates reported that in the hours before Mr. Kovacevic died, the prison guards initially ignored his cries of pain and calls by other prisoners, who had been awakened and alarmed by his screams.

When the prison doctor arrived an hour later, the lawyer contends, the doctor misdiagnosed Mr. Kovacevic's crisis as a kidney problem

and gave him a painkiller instead of rushing him to a nearby hospital.

The autopsy report has not been released, and the tribunal's press office has declined to answer further questions, saying it must await the outcome of an internal investigation. The prison authorities also decline comment.

The tribunal prison, just outside The Hague, is a separate cell block on the grounds of a Dutch prison. It is run by a warden and guards appointed by the United Nations. The prison provides basic services like meals and medical care.

The death of Mr. Kovacevic was a shock to the tribunal. Although he had high blood pressure and had suffered a stroke and heart attack

earlier, a cardiologist and psychiatrist deemed him fit for trial.

He was seized by NATO troops and his case was important as a precedent in other trials.

The trial opened July 6. Among other charges, Mr. Kovacevic was accused of complicity in genocide because of his role in 1992 in helping organize detention camps near Prijedor, in which many Muslim inmates were tortured and killed.

With his death, that case has been closed. On Aug. 1, about six hours after Mr. Kovacevic died, the tribunal spokesman, Christian Chartier, said he had died of a "massive heart attack."

The death certificate said only that he died of natural causes.

## French Mayor Digs In to Fight Problem of Gypsies

By Charles Trueheart  
Washington Post Service

TONNOY, France — For the 28 years he has been mayor of this pleasant village on the banks of the Moselle River, Claude Balland has watched Gypsies come and go, helping them to land, water, sanitation facilities and occasionally private property. He has listened to the complaints of the 650 townspeople, and likewise to the assurances of indifferent bureaucrats far from the problem.

Last week, Mr. Balland got fed up. When about 60 Gypsy vehicles appeared Aug. 9 and settled on their customary piece of land by the river, Mr.

Balland opted for trench warfare. Two days later a backhoe arrived and proceeded to dig a meter-deep ditch along the front and side of the Gypsy encampment.

The Gypsies still had two places of ingress and egress, and free access to water and the campground facility across the road, despite their presence on what Mr. Balland says is private property and they say is not.

But the mayor's gesture was not about restricting movement. It was pure, if crude, symbolism in a battle of wills between a small town and a nomadic community of people who have vexed settled peoples for a millennium.

This year alone, Gypsies fleeing persecution, such as skinhead attacks, have migrated out of Slovakia and the Czech Republic and turned up in Canada and Britain, prompting the Czech president, Vaclav Havel, to lecture his people on tolerance.

offending the Gypsies. "I'm 63 years old and I've been all over France and outside it, and it's the first time I've seen anything like this," said Henri Lagrene, a Gypsy and an evangelical pastor to whom the camp dwellers deferred for comment. "The mayor is a racist, he's not Catholic at all."

Mr. Balland said, "I wanted to rap on the table. I'm a little mayor, but when I do a bold stroke like that it gets the attention of the powers that be. It brought the TV cameras. It brought you."

His digging stunt earned him ridicule in some Paris newspapers, but it also spurred the top official in his French department to call a

meeting to work on the problem.

Mr. Balland hopes the government in Paris will rewrite the existing law, which allows Gypsies the right to use public land for up to eight days and charges local communities with providing them with water and sanitation, after listening to local communities that have to deal with this largely exurban social problem.

Tonnoy's plight, and that of its 300 unwanted visitors, is small but telling. Across Europe, this beleaguered, fragmented, nomadic community of people has been vexing settled peoples for a millennium.

The Gypsies are a presence on the margins of national life in every European country. The UN High Commissioner for Refugees says they number eight million in Europe, although statistics are unreliable for such unregistered, unfixed people.

What is more certain is that they are "the outcasts among the outcasts," as the Roman Catholic prelate Jacques Gaillot said last week.

As such, Gypsies are challenging modern societies, for which a fixed address is the bare minimum qualification for delivering social services, education, and public housing, to deal with a small, impoverished and impermanent diaspora that defies all definitions of citizenship.

Their public support is slender, even after suffering the extermination of an estimated 500,000 of their number before and during World War II. They still are viewed with loathing and fear wherever they go.

## Julian Green, Prolific and Idiosyncratic Novelist, Dies at 97

By Richard E. Nicholls  
New York Times Service

Julian Green, 97, the prolific and highly idiosyncratic novelist, playwright and memoirist who was the first American elected to the Academie Francaise, France's gallery of 40 literary luminaries, died last Thursday in Paris.

Mr. Green, who had his first novel published in 1927, is believed to have had the longest career of any major 20th-century writer. His life was distinguished, and to a great extent defined, by startling contrasts and contradictions.

Born in Paris on Sept. 6, 1900, of American parents, he was fascinated by his ancestors but visited the United States infrequently, spending most of his life in France. All but a few of his books were written in French, and he came to be regarded as one of the preeminent stylists in the language, on a level with Paul Valery, Marcel Proust and Andre Gide.

He was one of the few modern writers to have his collected works published in Gallimard's Pleiade library during his lifetime. His books consistently received substantial attention in France, yet only intermittent, modest coverage in the United States.

Mr. Green balanced a native reticence with a profound need to pub-



Julian Green in 1991.

licly explore his psyche, to chart his long, deeply tormented struggle to master physical desire and submit to faith, eventually publishing 14 volumes of his journals as well as five frank volumes of memoirs. (He and Gide, longtime friends, traded diaries so that they could read what each had said of the other.) He was both a devout Roman Catholic and a homosexual.

Few writers' lives have spanned so long or turbulent a period, or been as productive. And no modern writer has charted, with more diverse

ways, the weird landscape of erotic obsession, the corrosive effects of repression or the struggle to achieve faith in a disbelieving age.

Mr. Green remained a courtly, serene eminence into his 90s, writing, giving interviews and still visible around Paris.

Mr. Green was the youngest of seven children. His parents were from long-established Southern families, and he collected in a 1991 interview that when his father was sent to Europe in 1895 by an American firm, his mother, given the choice between Germany and France, had decided that they should live in Paris because "the French had been defeated in 1870 and would understand the Southerners."

His father's success as a businessman provided the family with a life of privilege in a well-to-do neighborhood of Paris.

Mr. Green converted to Roman Catholicism in 1914. During the early years of World War I, he followed France's struggle with fervor. Impatient to serve, he joined the Red Cross in 1917 and drove an ambulance on the Italian front.

He eventually talked his way into a French artillery regiment and was a member of the Allied occupation force in Germany. Discharged in 1919, he enrolled in the University of Virginia.

Back in Paris in the '20s, Mr.

Green began writing novels, including "Avarice House," "Adrienne Mesurat," which won the Femina Prize in France in 1927.

"Dark Journey" (1929) traces the complex aftermath of a violent assault on a young woman by a frustrated lover.

During the 1930s Mr. Green studied Buddhism, and his novels became more fantastic. He and Gide developed a strong, if guarded, friendship. Gide described him as having "a somber genius."

As war approached, Mr. Green left Paris in 1940 and settled in America.

He prepared radio programs in French for the Allies, and taught writing at several universities, including Princeton and Harvard.

Mr. Green's output picked up when he returned to France after the war. But while his novels remained somber studies of romantic excess, often dwelling on sexual obsessions, they began to exhibit a more direct emphasis on faith. "Moira" (1950) and "Each Man in His Darkness" (1960) are generally considered his most accomplished novels.

In "Moira" a young man rapes and then murders a girl; in "Each Man in His Darkness" a man struggling to suppress his homosexuality is drawn into a series of increasingly tormented relationships before being murdered by a would-be

lover who has become obsessed with him. But both novels conclude with subtle suggestions of redemption and of the power of faith to "obstruct the terrible mechanism of destiny," in Mr. Green's words.

"South," was produced in Paris. More followed, and he diversified further by writing several screenplays.

Mr. Green had issued the first volume drawn from his "Journals" in 1938 (he had begun keeping a daily journal in 1926, setting down not only his meditations on faith and the flesh but musings on literature and art and recollections of his family and friends).

In the 1940s and '50s, additional volumes appeared with regularity. Their prose was so exact and pure and their expression of faith so serene and deeply contemplative that some critics compared them favorably to Pascal's "Pensees."

In 1971 Mr. Green was elected to the Academie Francaise, becoming its first foreign member.

Mr. Green never ceased writing. His work eventually included 18 novels, "Journals," memoirs, 5 plays, 6 collections of essays and 2 volumes of history. It was not that he was prolific, he told an interviewer, it was just that "I am very old."

He is survived by his son, Jean-Eric Green.

## 4 Mathematicians Win Awards At World Conference in Berlin

Agence France-Presse

BERLIN — Two Britons, a Russian and an American won prestigious Fields prizes, the mathematics equivalent of the Nobel Prize, at a conference here Tuesday.

The \$31,000 awards went to two British mathematicians, Richard Ewen Borchers for his work in geometry and algebra, and William Timothy Gowers for his function analysis; to a Russian mathematician, Maxim Kontsevich, for work in theoretical physics, and to an American mathematician, Curtis McMullen, for work in geometry.

The international conference, which opened Tuesday, brings together 3,500 mathematicians from 96 countries to discuss developments in the field. It is considered the largest gathering of mathematicians worldwide.

An American mathematician, Peter Schor, won the Nevanlinna prize for a type of computer work that helps in processing large amounts of data.

## Pages From Anne Frank's Diary Found

The Associated Press

AMSTERDAM — Five missing pages of Anne Frank's famed diary have been located, scholars of World War II said Tuesday.

The handwritten pages, in which the young Jewish diarist hiding from the Nazis harshly describes her parents' marriage, were found in the possession of a former employee of the Anne Frank Foundation. Researchers didn't even know they were missing.

The foundation and the Netherlands State Institute for War Documentation have issued a joint demand for their return and have hired a lawyer. Once recovered, the pages will be included in the next edition of "The Diary of Anne Frank," the institute said.

"We thought we had a complete edition. Now this pops up," said a bewildered David Barnouw, a spokesman for the war documentation agency and an editor of an unabridged version of the diary.

The man now holding the pages recently told researchers that Anne's father, Otto Frank, gave them to him shortly before his death in 1980. The man's name was not released, and there was no indication he had done anything wrong.

Even so, "it is highly improbable that Otto Frank made a gift of this original manuscript to this former employee," the documentation agency said.

"Rather, he may have just handed him the pages to prevent the contents

from becoming public."

Scholars have said that Mr. Frank was careful to withhold pages dealing with his marriage, wishing to keep some aspects of the family's life private.

Mr. Barnouw said he couldn't rule out the possibility that still more pages might be missing from the diary, which Anne had begun rewriting on loose sheets of paper that easily could have been lost or confiscated.

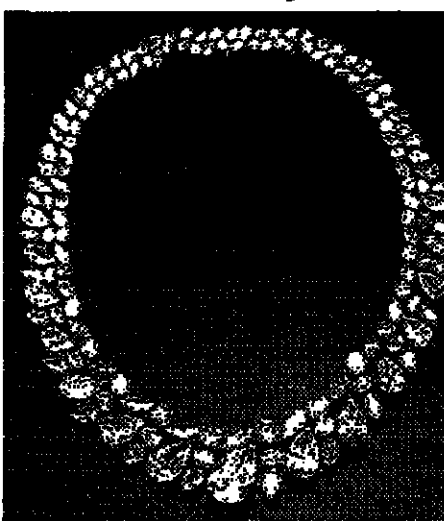
A modern literary classic that has been translated into more than 50 languages and is required reading in schools worldwide, the diary was first published in 1947 by Mr. Frank, the only member of the family to survive the war, and since has become the subject of films, books and even a Broadway musical.

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## EDITORIALS/OPINION

## Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Clinton Falls Short

If a grudging admission of sexual indiscretion with Monica Lewinsky and another angry attack on Kenneth Starr could end the crisis in his presidency, then Bill Clinton finished his five-minute address to the nation Monday night in good shape.

But, by our lights, Mr. Clinton let slip a vital chance to give a healing report to the nation and to begin the task of rehabilitating his character in the eyes of the public. Instead he went for the time-tested blend of minimal confession and contained tantrum that got him elected twice, but will not make him a leader who will be missed once he leaves Washington.

By his lawyer's account, Mr. Clinton used another vintage technique during his four hours of grand jury testimony, refusing to answer questions that did not suit him. The outcome is hardly satisfactory for those who had hoped that he would meet this challenge in a less characteristic way.

What the nation got instead was another blast of the familiar dichotomy of blame. His touching admission of lying to his wife coupled with the insulting contention that his earlier denial, under oath, of a sexual relationship was "legally accurate."

What an opportunity was wasted Monday night for Mr. Clinton to shed the wearisome burden of all those ever changing accounts of personal behavior that have characterized his political career for so many years. But from the moment the 42nd president walked into the Map Room he was in a confrontation with a force far more insidious than Kenneth Starr, the independent counsel.

In that hallowed room, Mr. Clinton was also confronting the habit that has driven — and haunted — his political career in an almost addictive way. His habit of stonewalling, of misleading by omission or concealment or fabrication or failure of memory has been the source of virtually all this administration's troubles.

For the past seven months the stonewall has crumbled faster than Mr. Clinton, his wife and his lawyer, David Kendall, could patch it.

The full truth is a potent weapon but it is not one that Mr. Clinton is used to handling, even in the most personal settings. There were many reports on Monday that he had sent Hillary Rodham Clinton out to bash his critics as political conspirators without telling her the facts of the Lewinsky situation. Some White House staff members who had believed him felt betrayed by the

flood of inculcating leaks last Friday. We do not yet know what rendition of the truth Mr. Clinton spoke in more than five hours with the grand jury. For that reason, only he knows at this moment whether he can climb out of this mess by grasping the lifeline that Senator Orrin Hatch, Republican of Utah, has repeatedly thrown him. Mr. Hatch, chairman of the Judiciary Committee, was insulted by the attack on Mr. Starr, but he still seemed willing to help Mr. Clinton, provided that no evidence of serious illegality emerges and, in his view, "that's a big if."

Indeed it is, for the American people as well as for Congress. That brings us again to something only Mr. Clinton knows to a moral certainty about what did and did not happen. If he conspired with Ms. Lewinsky to testify falsely or if he had others seek employment for her toward the same end, then Mr. Clinton went into his meeting on Monday as a man who could probably not break free of his worst impulses, even if he could summon the courage. When perjury enters the picture, the truth that might have been his salvation becomes his enemy.

This is an odd moment in American political history, but not a frivolous one. Here was a man of compassionate impulse and lofty ambition who went to Washington with virtually every imaginable political skill except one. He seemed to think he was immune from a rule that leaps out from any reading of modern presidencies: Everything comes out sooner or later.

Eventually, all the details of what he said on Monday will begin coming out. In these first moments, we are getting a few pieces in the jigsaw picture of this presidency. Mr. Clinton could have shaped that process by speaking fully and from his heart. He chose not to, but he cannot stop the process of revelation in which he participated on Monday. By and by, we will see entire the lineaments of his fate and his standing among the presidents.

It can never be what he and the nation hoped, for he long ago chose to manipulate the narrative of his political life in such a way that it was necessary for him to remember everything he said along the way.

What we will know in time, of course, is whether he has so falsified his conversation with the American people that he could not, even in the hour of his greatest peril and through the simple agency of truth, position himself to receive their forgiveness.

—THE NEW YORK TIMES.

## Down Goes the Ruble

Russia's dramatic actions on Monday, allowing the value of the ruble to fall and declaring a moratorium on some government debt, reversed a pledge that President Boris Yeltsin and his government had issued as recently as Friday. It threatens one of the few clear-cut accomplishments of his mixed record, which was to get inflation under control. It raises questions about the West's strategy for aiding Russia, including the \$22.6 billion rescue effort that Washington pushed through only four weeks ago.

The latest development is not so much a failure of policy as an acknowledgment of failure that had become already clear. Russia's government was spending more than it could afford to defend the value of the ruble against those, Russians and foreigners alike, who had lost faith in the stewardship of Russia's economy.

The floundering economy pushed President Yeltsin into a corner, and this was his response.

Russian officials blamed external factors for this state of affairs. The financial meltdown in Asia scared investors away from all emerging markets, including Russia's. It also lowered the worldwide demand for oil and gas, which depressed the price of those commodities, which hurt Russia as a major oil and gas exporter.

But these twin blows would have had far less impact were it not for Russia's internal troubles. Despite Mr. Yeltsin's appointment this spring of reformers to run his government, there was no consensus within Russian society on the desirability of a speedy transition to the free market. A majority in Russia's Parliament remained opposed or suspicious.

So Russia remained frozen in mid-transition, without adequate legislation or enforcement in crucial areas such as property rights, bankruptcy law, an in-

dependent judiciary, corporate governance and more.

In countries that leaped quickly from communism to a free market, such as Poland or Estonia, economic growth picked up early. Countries such as Russia and Ukraine, which jumped only part way, have been mired in corruption and stagnation.

Russia's shrinking economy has provided neither enough jobs to support the population nor enough tax revenue to support the government, pay the army, etc. The country has had to borrow more and more to make up the difference. The recent \$22.6 billion loan package was only the latest in that pattern, and its failure to bolster confidence showed that investors did not believe that more borrowing could solve Russia's problems.

The question is whether this partial devaluation and default can help any more. On the one hand, the new policy buys some time for the government, which will find it easier to repay ruble-denominated credits. It helps oil tycoons, who can sell their product for dollars that are now worth more at home. It may not hurt ordinary Russians as much as was predicted, since many remain relatively unconnected to the global market and others hold their savings in dollars already.

But this 180-degree reversal certainly will not inspire confidence among foreign investors, and there is a real risk that it could spark runaway inflation and that the government will not be able to defend its new announced level of ruble value. What is needed to forestall those worst-case outcomes is substantial progress on structural reform in fiscal management, the tax code, landowners' rights and bank soundness. Unfortunately, those were the same reforms that were obviously needed last week, and the week before.

—THE WASHINGTON POST.

## It's Time for the Clinton Presidency to Get Going

By Thomas L. Friedman

WASHINGTON — It is now clear that President Bill Clinton looked the American people in the eye last January and lied. On Monday he acknowledged the inappropriate relationship with Monica Lewinsky that he earlier denied. He has betrayed his family, his party and his country.

But we Americans now have three stark choices: Impeach him, forgive him or limp along with him, berating him at every step and never allowing anyone to forget what he did.

There is no stomach in the country for impeachment. There is too much at stake for the country to limp along for two more years. It is time to forgive — not for his sake, but for ours, not because his affairs are unimportant, but because ours are more important.

It is time now for the first Democratic president since FDR to be elected for a second term. That means that Mr. Clinton has to give up this crazy notion that his primary political role is to be Al Gore's campaign manager for the year 2000 election, and to instead start fulfilling his own agenda, whether it is Social Security reform, education reform, child care reform, campaign finance reform, tobacco legislation or expansion of free trade — all of which will require him to step on some traditional Democratic sensibilities.

The president talks a good game on many of these issues, but he has yet to really put his shoulder to the wheel behind most of them or to put them in concrete legislative form.

It is time for the president to make clear exactly what his Iraq policy is, which simply is not clear anymore. What is clear is that the administration is playing games — trying to shift

responsibility for Iraq policy from the White House to the United Nations, which is to shift it to nowhere.

What is clear is that Secretary of State Madeleine Albright has signaled to the chief UN weapons inspector, Richard Butler, that the administration does not want to stir up Saddam Hussein with any surprise inspections right now. If the Clintonites walk away from their responsibilities on Iraq, it is the end of their foreign policy.

It is time the leadership Republican Party developed a serious domestic agenda (beyond arguing that shrinking government and ending abortion will solve all problems), as well as a foreign policy befitting a superpower. Since Bill Clinton came to office, the Republicans have spent much of their time just living off his misbehavior.

On foreign policy they have either offered drive-by criticism or adopted utterly irresponsible positions.

These range from base pandering on the Middle East to indulgence of fringe congressional Republicans who want to hold up key foreign policy funding for institutions like the IMF unless the United States stops all support for family planning, to mindlessly slashing the State Department's budget — an outrage at a time when America's global responsibilities, and economic opportunities, have never been greater.

Without a serious Republican foreign policy, it makes it so much easier for the Clintonites to be unserious, too.

For a long time now we have defined this era as the post-Cold War era. That is, we have defined this era by what it is not. It is not the Cold War. But it is time

we define it by what it is. It is an era of stunningly rapid change in everyone's workplaces, jobs, communities, educational demands and government responsibilities.

It is an era in which corporations have never been bigger and yet individuals have never been more empowered — to do good or ill.

It is an era in which America has no single big enemy, but many, many smaller ones. It is an age when the gap between rich and poor is widening faster and faster.

It is an integrated era in which the biggest threats to stability come from a weak Japanese economy, which America can't control, and a computer chip

problem called Y2K that we can't see.

It is an era in which the United States and the rest of the world need an American president who gets these issues. The good news about Bill Clinton is that he does get them. The bad news is that even before the Lewinsky affair, this president was having trouble developing, and passing, the legislation for this new era. But he may now be getting a second chance to begin his second term — a chance that he does not deserve but that we do.

It may be hoping for too much that Bill Clinton will take this opportunity to be the president he has the potential to be. But Lord knows it's time.

The New York Times.

## An Irresponsible Diversion in Washington

Asians who are the most downcast about America's preoccupation with the Clinton sex scandal tend to regard it as an irresponsible diversion from more consequential issues, fueled by a poisonous process that is chipping away at the powers of the presidency.

Ever since the Lewinsky scandal surfaced in January, the overall reaction from Asia in its press and in the ordinarily careful, not-for-attribution words of diplomats has been both incredulous and fearful.

From Malaysia, the New Straits Times opined: "As far as the U.S. media [are] concerned, it is the story of the decade. It is bigger than all others — Middle Eastern problems, Asia's financial crisis."

An Australian diplomat echoed the sentiments of many officials I have talked to when he expressed virtual contempt for the destructive tenacity

and dysfunctional myopia of the U.S. legal and media systems.

"You're wasting the trust dividend that Clinton has built up in Asia, which in general recognizes that Clinton has worked hard to raise the quality of his communication with the region, especially with China."

"This effort has been so important. And now America wants to erode that trust by chipping away at and humbling the office of the presidency. I find this tragic and unbelievable."

A prominent Japanese business executive in Tokyo said: "Americans have to accept that the U.S. presidency doesn't belong just to America."

A great tragedy could be in the making that is totally unnecessary and self-inflicted. But it may be too late for America to pull back from the brink.

—Tom Plate, commenting in the Los Angeles Times.

## So What Happens When America Can't Keep Buying?

By Robert J. Samuelson

WASHINGTON — In his book "One World, Ready or Not," the journalist William Greider coined a useful phrase to describe America's role in the global economy. The United States, he said, is "the buyer of last resort." "When other countries' economies do poorly, the United States absorbs their exports and promotes overall stability."

Rarely since World War II has this role been so important. With most of Asia depressed. But this time the U.S. economy may be unable to spend the world back to prosperity — and the rest of the world could pull America into a slump.

America is now enjoying, of course, a stupendous consumer spending spree, which seems to bode well. Americans are buying computers, cars and sofas from almost everywhere. The trouble is that the buying binge will not continue forever, and the falling stock market could hasten the end by puncturing consumer confidence. Asia's distress might then spread.

I remember exactly when I spotted the spending spree. It was early on Feb. 14 at Hancock Airport in Syracuse, New York. I had a 7 A.M. flight and expected to find the place deserted. Instead it was packed. People were rushing off to such places as Buffalo, Baltimore and Pittsburgh.

Granted, this was Presidents Day weekend, and some flights had connections to Florida. Still, the travel mania was astonishing. In 1998 the nation's airlines will have carried about 600 million passengers, up almost 25 percent since 1993.

Here is another sign of ebullience: sport utility vehicles. In 1993, Americans bought 1.4 million of them; by 1997 it was 2.4 million — one of every six new vehicles sold. Compared with typical cars, SUVs are pricey, and the mix is moving upscale to larger models with leather seats and CD players.

The problem is that to pay for all this spending, consumers have almost stopped saving. The Commerce Department defines saving as people's after-tax income minus their con-

sumption. From April to June, Americans spent 99.4 percent of their current incomes; they saved 0.6 percent. That is less than one-tenth the average from 1980 to 1992 (6.7 percent of income). As the stock market has risen, the savings rate has dropped.

We seem to have a paradox: People save less but invest more in the market. Charles Schwab Corp., the broker, has 50 percent more accounts than in 1995. But the paradox is more apparent than real.

People may think they have not cut saving; they make the same monthly contribution to a retirement account. But there are many ways to reduce saving: borrow more; sell stocks and spend the proceeds; and dip into other accounts.

All this is probably occurring. Borrowing has increased. Despite falling interest rates, consumers are paying a record 14.8 percent of their after-tax incomes in interest and principal repayments, estimates Susan Siegel of Economic Analysis Associates. She finds the high

borrowing and low saving ominous; they usually characterize a business cycle near its peak.

The economy is vulnerable to anything that shakes confidence and causes consumers to raise their precautionary saving. The economist Ira Kaminow of the Capital Insights Group writes: "The economy is enjoying a number of virtuous cycles that could turn vicious if the stock market were to enter a sustained contraction or even level off. ... The market is supporting strong consumer and investment spending which in turn supports profits and the bull market."

Well said. A market slump could trigger a downward spiral of consumer spending and stock prices. Few economists yet predict a recession, but forecasts of continued growth rest on assumptions that are optimistic and perhaps heroic.

Merrill Lynch projects that GDP will expand by 3.3 percent in 1998 and 2.4 percent in 1999. To achieve that, the consumer savings rate remains below 1 percent, and business investment jumps by a hefty 20 percent from 1997 to 1999, even though

corporate profits fall slightly. It could happen. There is still ample optimism in America. People put their homes on the market one week and they are sold the next. But optimism could prove overblown.

One reason corporate profits may drop is the widening trade deficit. Merrill Lynch estimates the deterioration at about 2 percent of GDP from 1997 to 1999, mainly because U.S. companies export less to Asia and, as a result of currency depreciations, import more.

This brings us back to the "buyer of last resort." The rising trade deficit is America's contribution to a global economic recovery. But if the trade deficit grows too fast, it could cause a U.S. recession.

Even without a slump, the U.S. economy is not large enough — about a fifth of the global total — to rescue the entire world single-handed. In his book, Mr. Greider wonders what happens when the United States can no longer "lubricate the global marketplace." We may soon learn the answer.

Newsweek.

## Count on the People of Hong Kong to Rebound Again

By Anson Chan

SINGAPORE — The present economic crisis in Hong Kong, while proving to be much deeper than anyone had foreseen, is not the first we have faced. Having lived in the territory for 50 years, I have seen it suffer through recession, market crashes, rioting, bank failures and political turmoil.

Yet Hong Kong has always bounced back, growing, thriving and providing the conditions for people to make a better life for themselves and their children. It is against this backdrop that we should look at the present position. Otherwise, by focusing on immediate problems, we lose sight of the longer-term perspective.

When I arrived in Hong Kong as a very young girl with my parents in the late 1940s, we were among a wave of people leaving China to establish a new home outside the constraints of the Communist regime on the mainland. In 1950, with the Korean War raging, Hong Kong was almost on its knees under the weight of 1.5 million refugees from China, mostly living in shantytowns.

But by the mid-1950s we were beginning to get back on our feet. Industry was starting to grow, first with cotton spinning and weaving, then in the 1960s with man-made fibers, garments, plastics, electronics, watches and clocks. Still, a question mark seemed to hover over Hong Kong's future.

In the mid-1960s the territory, then a British colony, was being described as a borrowed place living on borrowed time. The Cultural Revolution in China was in full swing, with the consequent turmoil it created.

In the end, cooler heads prevailed in Beijing, and Hong Kong entered a new phase of development. Once again, Chinese entrepreneurs were driving the process of industrialization in the territory, and the government resumed its massive housing and schools program to cope with the swelling population.

Hong Kong's fortunes con-

tinued on a roller-coaster ride, reaching another trough in 1983 when the currency, which had been allowed to float, experienced a 100 percent devaluation. It fell to almost 10 Hong Kong dollars to \$1 in the space of two years.

The authorities were forced to take drastic action. They linked the currency to the U.S. dollar at the rate 7.8 Hong Kong dollars to \$1. The link has been in place ever since.

The Hong Kong dollar has remained rock solid. Today it is the only freely convertible currency in East Asia that has survived the financial turmoil unscathed. While other currencies were plunging, in some cases by more than 80 percent against the U.S. dollar, the 1,600 billion Hong Kong dollars in the territory's banking system lost none of its value.

In the face of the regional devaluations, many have questioned whether Hong Kong can maintain the U.S. dollar peg. Our argument remains that we cannot afford to lose the link. Cutting it would set off another wave of currency instability in East Asia.

Hong Kong's economy is externally driven. The total value of its trade in goods and services in a year is equal to well over 250 percent of its GDP. Businesses engaged in those export activities need certainty in exchange rates.

There was renewed pressure on the Hong Kong dollar recently. But there is no change in our policy and commitment to maintain the linked exchange rate. As in the past, speculators had their fingers burned.

Rumors about possible devaluation of the Chinese currency also swept through the financial markets. But Chinese authorities were quick to reiterate that there was no intention and no necessity to devalue the renminbi.

I believe that China will continue to be competitive even after the marked depreciation of

other East Asian currencies. Labor costs on the mainland are still lower than in most other regional economies.

But Japan, with the largest economy in Asia and the second largest in the world, must take further steps to stabilize the yen and revitalize its economy. Otherwise a deflating Japan could not only delay recovery in the region but derail it altogether.

Hong Kong knows that costs are one of the most important factors in competitiveness. But there are other significant elements as well, such as adherence to the rule of law, the need for a corruption-free society, predictable government policies, and the free flow of information and capital. Such ingredients are all aimed at putting local and overseas investors at ease.

These are areas where Hong Kong has performed well in the past and will continue to do so in the future.

However, where the territory had become uncompetitive was in property prices. The years of high prices, high inflation and negative interest rates had created a bubble economy that needed to be corrected if Hong Kong wanted to retain its commercial and economic vibrance.

East Asia's financial turmoil has hastened the pace of this correction. Hong Kong is now in the midst of a major economic adjustment — property prices have fallen (in some cases by as much as 40 percent), stock market capitalization is down by more than 40 percent, tourism is down by about 20 percent so far this year, unemployment has risen to a 15-year high of 4.5 percent of the work force, and the economy contracted in the first quarter.

The process of adjustment is painful, and I feel deeply for those whose livelihood is affected. The government is doing all it can to help them.

What we are seeing is the reaction of a free market at work, which will ultimately produce a much leaner and

more competitive Hong Kong. Already the territory's competitive edge is improving with lower property prices, which reduce the cost of doing business. Annual inflation is down to 4 percent. China, Hong Kong's hinterland, is continuing to grow, not at the 8 percent rate forecast at the start of 1998 but still at a very healthy 7 percent for the first half. Our foreign currency reserves, at \$96.5 billion, are the third largest in the world, after Japan and China.

We are embarking on a \$30 billion infrastructure program to build for the future. The program includes investment in railways, roads, housing, education, training and new technology — the kind of projects that will make us more competitive as we move into the 21st century.

As a Special Administrative Region of China since July 1997, Hong Kong has been handed unique opportunities to work with mainland authorities and derive mutual advantages from cross-boundary development. The territory's management skills, entrepreneurial drive and access to capital markets can be harnessed to develop value-added business services and upgrade the industrial base on the mainland, particularly in the nearby Pearl River Delta.

By combining Hong Kong's international business know-how with its access to lower cost resources in the delta region and beyond, we can further expand our role as a middleman for new venture capital in China.

The writer is Hong Kong's chief secretary for administration. This column was adapted by the International Herald Tribune from a speech at a business lunch on Aug. 14 organized by the Hong Kong Economic and Trade Office in Singapore and the Singapore International Chamber of Commerce.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

## 1898: U.S. Supremacy

WASHINGTON — Orders were sent to General Merritt that there is to be no joint occupation with the insurgents of Manila, but that the American supremacy must be absolute. In a formal order that has been sent the President's policy is clearly set forth. It states: "The insurgents and all others must recognize the military occupation and authority of the United States and the cessation of hostilities proclaimed by the President."

## 1923: Klan University

PARIS — The purchase of Valparaiso University, in Indiana, by the Klu Klux Klan, with the announcement that it will spend \$1,000,000 in enlarging the educational institution, has been received with mixed approval. An American businessman in Paris, who was at the bottom of a recent rumor that a branch of

the hooded riders was being organized in Paris, cannot conceal his pleasure and expects an educational institution in the hands of the Klan to widen and strengthen its influence.

## 1948: Danube Control

BELGRADE — The Danubian conference ended with seven Communist states voting themselves exclusive control of the river in a convention which the United States, Great Britain and France refused to sign. The convention was virtually a rubber stamp copy of the draft written by Andrei Vishinskiy, chairman of the Russian delegation. American rejection was based on the fact that the Soviet draft failed to provide arrangements for free trade and navigation. It was a backward step representing a new effort to deprive certain Danube states — and especially Austria — from essential trade with the rest of the world.

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## OPINION/LETTERS

What's Up in America?  
A One-Day Value Check

By E. J. Dionne Jr.

WASHINGTON — If all goes according to plan, the newspaper you are now reading will be filled with news about President Bill Clinton's testimony before Kenneth Starr's grand jury. You will be up to here with talk about sex and alleged perjury.

Place the blame for this mess, as you wish, on the president, on the special prosecutor or on both. But be wary of any claims you hear that this very strange episode reflects profoundly on the moral state of Americans as a people. Before you buy the idea that there is a crisis in the nation's values, consider the other things that happened Monday.

The people at Martha's Table, a big yellow building about a mile from the White House that houses a program for the homeless, were planning to do what they do every single day. About 200 children, ranging in age from 2 to 17, showed up at their door early in the morning. They consumed 66 pounds of cereal before embarking on a day of play and learning, said Susan Schieffer, the organization's director of development.

The volunteers arrived later — on a normal day, 70 to 100 of them — to make sandwiches, pack potato chips, bag cake and donuts so the organization's vans could head out to feed from 1,000 to 1,200

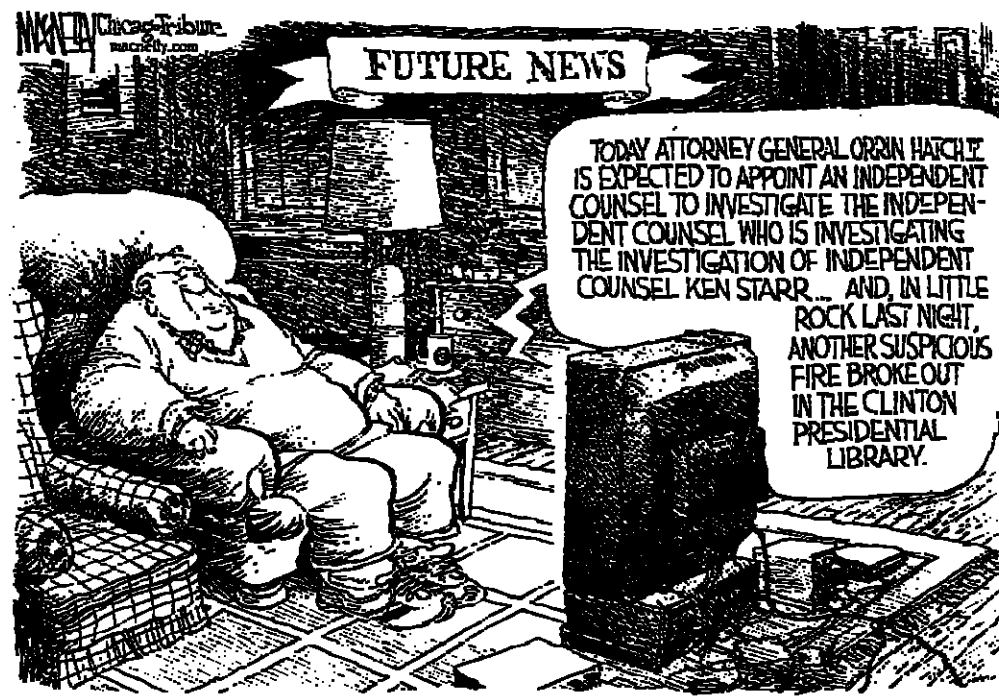
homeless people in Washington. Ben Belzer, the executive director of the Interfaith Housing Coalition in Dallas, was pretty sure what he'd be doing as the testimony in Washington droned on.

"On that Monday morning, I'll be holding the hands of some single mother whose abuser has found out where she's living and has tried to abuse her again. She'll be talking about her difficulty in giving her children the things that they want and that she can't give."

The poor, Mr. Belzer says, do not get the publicity that accrues to big Washington controversies. "They're only sensational when they kill somebody or rob a store," he said. Mr. Belzer has worked in mission programs for a quarter-century and is philosophical about the country's moral state. "I don't think we have any more moral decay than we had 20 years ago," he said. "We just know about it better."

In Los Angeles, 700 children, aged 6 weeks to 18 years, showed up at Para Los Niños — For The Children. The group's center on East 6th Street sits hard against the garment district, the produce market and a tough red light area.

The news shows covering the Washington story minute-by-minute should not count on a big bump in viewership from the or-



ganization's 130 employees. They will be too busy teaching and counseling and working at the group's summer camp, said Miki Jordan, the president of the organization, taking children who might not otherwise get there to the science museum or a water park.

Up the California coast in Santa Maria, Sister Janet Corcoran, vice president of Mission Services at the Marian Medical Center, expected to spend part of her Monday planning an anti-violence program for her town and nearby communities this fall.

Her program focuses on "the worth of each person in the human

family," she said, and the good works they can do.

"You know the media focus given to violence," she said matter-of-factly to the media representative at the other end of the phone line. "If we could focus on the good humanity does, it could change the tenor."

In New York City, Sister Mary Rose McGeady heads Covenant House. Some 1,700 children show up at her organization's centers on a typical Monday. They are children with no homes or children who fear returning to the ones they have — "runaways, throwaways, homeless street kids."

She recently asked one of her young clients, "Did you run away?" "Well, Sister," he replied, caring profoundly about telling the truth, "I walked."

Such stories were multiplied 1,000 times over in the United States on Monday. They do not suggest that the drama played out before the grand jury was unimportant. They get no one off any books. They show only that the moral challenges that America faces are larger than current preoccupations would suggest — and that some people out there are meeting them.

Washington Post Writers Group

Getting Away in Vermont,  
Where Moose Make News

By Jonathan Yardley

S.T. JOHNSBURY, Vermont — Imagine, if you can, anything more difficult to accomplish in this age of all-pervasive technology than the simple act of getting away.

Well, if you can imagine that, then you can imagine me, off in a remote corner of northeastern Vermont, connected to the outside world by nothing except the thin

No, you will get no rhapsodies about Mom Nature from this pulpit this morning. It is true that I committed some time to time in earlier years while a part-time resident of Cecil County, in northeastern Maryland, but northeastern Vermont — mercifully — has no such effect on me. The land of Ben and Jerry is beautiful, all right, but it provokes no dithyrambs from me.

In the interests of full disclosure I admit that last night I consumed far more than my fair share of a pint of something called S'mores, manufactured by "all of us at Ben & Jerry's" in their 1960s-recidivist encampment a few miles away.

Ben and Jerry appear to be as inescapable hereabouts as cheddar cheese, of which I always consume more than my fair share, and maple syrup, an exceedingly large metal container of which sits in the refrigerator of the cottage I am inhabiting. Otherwise, Vermont holds far fewer temptations for me than it does for those innumerable New Yorkers who are rapidly turning the state into Central Park North.

It is, so far as I can tell, the south of the state that has suffered the most damaging effects, but there is evidence that St. Johnsbury is succumbing. There are, for example, few books at the local bookstore that anyone in his or her right mind would care to read, but there is a display of New Age indoctrinatory material, as well as a feeding station at which one may purchase nutritionally and ideologically correct pastas and other comestibles.

It is good I brought my own reading, the advance proofs of two books about Charles Lindbergh. These are the work of friends and will not be subjected to my professional scrutiny. More's the pity, since both are splendid, but this affords me what is, for a full-time reviewer of books, gratification even greater than that of being beyond shouting distance of Monica, Kenneth and Al: reading solely for pleasure.

Yes, reading about the estimable and misunderstood Lindbergh has set me to thinking about the nature of heroes and heroism. But those thoughts I am keeping to myself. Maybe in a few minutes I'll switch off the laptop, slip into my imitation Birkenstocks and wander up the hill to have a philosophical conversation with a couple of the sheep. You know: Ben and Jerry.

The Washington Post

## LETTERS TO THE EDITOR

## Clinton's Speech

President Bill Clinton deserves full marks for his dignified speech to the nation on the Monica Lewinsky scandal. Within the strict definition of what constitutes a sexual relationship, I understand that the president considered that none had taken place. His testimony earlier this year in the Paula Jones case thus was legally correct.

If impeachment continues to be discussed in this context it can only be by those who have something to gain by keeping this affair alive.

ROGER F. HUNZIKER  
Geneva

If the U.S. Constitution stip-

ulated that a president must resign if he causes exorbitant amounts of embarrassment to himself, the office of the presidency and the nation due to a whole and utter lack of good judgment and common decency, Mr. Clinton would be waving "V" signs from the door of a helicopter departing from the South Lawn right now.

KAREN BERGAN  
London

The recent terrorist bombings in Kenya and Tanzania are two more reminders of how grave the world situation has become, especially for us Americans, wherever we may happen to live, and how essential it is for the United States to have a full-time

government in operation to confront the perils that face us.

So, would the independent counsel, Kenneth Starr, please find another sandbox to romp in?

DONALD ARTHUR  
Munich

## India and Kashmir

Regarding "The Kashmir Puzzle" (Opinion, Aug. 4):

The editorial misses an important point. India has a 20 percent Muslim population that is spread around the country in several concentrated pockets. That equates to approximately the total population of Pakistan. If India has to cede predominantly Muslim Kashmir to Pakistan, what other

parcels are to be next?

I see no conceivable situation under which India will relinquish sovereignty over Kashmir, except an unconditional battlefield victory by the Pakistanis, and that is highly unlikely. Those who preach to the Indians should recognize this fact.

S.A. MADHAVAN,  
Fredericksburg, Virginia

## Undermining NATO

Regarding the report "NATO Approves Kosovo Action Plan" (July 14) by Joseph Fitchett:

Mr. Fitchett's cogent article limns Moscow's continuing undermining of the North Atlantic Treaty Organization.

The expansion of the NATO alliance is bearing its bitter fruit: The Russian Duma has not approved the START-2 nuclear treaty, the Russian foreign minister, Yevgeny Primakov, is reassuring Serbia, Russia's traditional protégé, that it will block any intervention by NATO in Kosovo; President Jacques Chirac of France is less than happy about a NATO action that bails the Russian bear. Greece is seemingly quiet, but views with concern the possibility of an attack on Serbia, a historical ally.

This is but the beginning of the deterioration of NATO, the result of President Bill Clinton's folly.

WILLIAM GREENWAY,  
Paris

## CROSSWORD

## ACROSS

- 1 Noted Presidential loser  
6 Serious trouble  
10 Kind of mark  
14 Start of an era  
15 Stinging remark  
16 Derby track  
17 Statehouse official; abbr.  
18 It may get a good looking  
19 Pianist Peter  
20 On the way to oblivion  
22 Peak in (on)

## DOWN

- 3 Opposite of echo  
24 Make a mess up  
25 Disguises  
27 Tummy muscles  
28 On a scale of one  
32 Words before mention or worry  
36 Mercury, Mars, Jupiter, etc.  
37 Loudspeaker, informally  
38 "I know what?"  
39 De Klerk's successor  
41 Violation

## ACROSS

- 45 Like printing presses  
46 Soft cheese  
48 Educ. group  
49 Opera about an opera singer  
47 Country music singer; Gibbs  
48 Funnyman; Brooks  
49 Live coal  
51 Windup  
52 Portico  
53 Leg's partner  
57 Soaks  
61 Divisions of joules  
62 Quiz answer  
64 Entertained in one's apartment  
65 Suffix with concession  
66 Masons' burdens  
67 She wants to talk proper; like a fly  
68 I may rock you to sleep  
69 Web-footed rodent  
70 Actor Sam

## DOWN

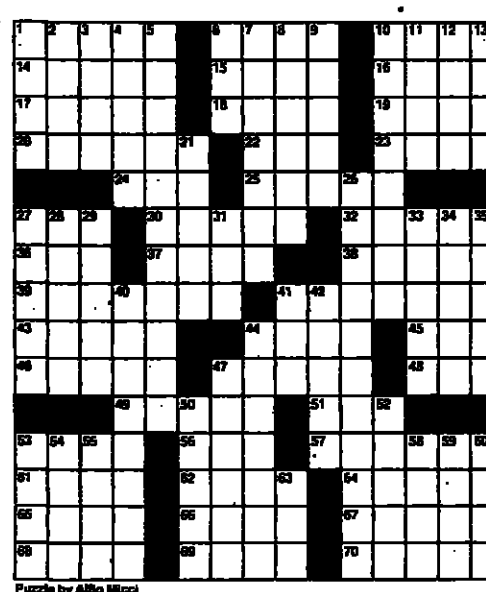
- 2 Suffix with hippo  
5 History that no longer matters  
6 Modern movie initials  
7 Regatta crew  
8 Boring tool  
9 Team helpers  
10 In need of company  
11 Pizzeria feature  
12 Precinct  
13 Defeat  
21 Salivate  
26 1962 Polish Oscar nominee  
27 Concede (to)  
28 Minor betting game  
29 Scuttles  
31 La-la lead-in  
32 Curfew time, maybe  
34 Sample  
35 Ryan or Tatum  
40 Late  
41 Hockey's Bobby  
42 Cans  
44 Kind of onion  
47 Fright  
50 Tub filler  
52 Given a hand  
53 Etire  
54 Windy City paper, with "The"

## Solution to Puzzle of Aug. 18

STIFF GAGA ONTO  
CHOIR ALEX RAIL  
AUNTIE EAME INRE  
MGS EDENS TONES  
AND ONLY  
DADDY LOMLEES  
GAGES APOIN LOPS  
ATTN UNTIE PALO  
FUR URGES GOTTIN  
MOMMIE DEAREST  
LOPS NOT  
CLODS SEETO ODE  
RAGE UNCLEVANYA  
OVER SAIL ELMER  
WARN EGOS DEEDS

## DOWN

1 Neuter  
2 Catch  
3 Kind of blocks  
45 Like printing presses  
46 Soft cheese  
48 Educ. group  
49 Opera about an opera singer  
47 Country music singer; Gibbs  
48 Funnyman; Brooks  
49 Live coal  
51 Windup  
52 Portico  
53 Leg's partner  
57 Soaks  
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## INTERNATIONAL PORTRAIT PAINTING COMPETITION

## ATATURK ON THE 75TH ANNIVERSARY OF THE REPUBLIC OF TURKEY



## PORTRAIT PAINTING COMPETITION

"Atatürk on the 75th Anniversary of the Republic of Turkey" Turkey's leading daily newspaper Milliyet, is sponsoring a portrait painting competition.

"Atatürk on the 75th Anniversary of the Republic of Turkey" Following the preliminary assessment of all competition entries, the paintings will be published in Milliyet in full colour and also on the Milliyet web site.

The winners of this competition, held to commemorate the 75th anniversary of the Republic of Turkey, will be elected by vote from the Turkish public. Winning portraits will be sold at auction, organized by the Kenan Evren Foundation. Winners will receive monies from the sales according to international norms. Entrants should apply to their local Turkish Embassy or Consulate for information on Atatürk or his photographs.

## Conditions of entry are as follows:

- Portrait dimensions - 50 cm x 70 cm or 54 cm x 73 cm.
- The painting must be painted in oil on canvas.
- A 15 cm x 20 cm printed photograph along with a transparency of the painting should be sent directly to Yedigöller Vakfı Binası Z5, Valtınazı Caddesi, Nisantasi 80220, Istanbul, Turkey. Tel: +90 212 234 1750, Fax: +90 212 246 0866, E-mail: sarol@bline.net.tr
- The final deadline for the competition is Thursday, 1st October 1998.
- The following prizes will be awarded:
  - First Prize US \$15,000
  - Second Prize US \$10,000
  - Third Prize US \$ 5,000

(Participating artists can enter more than one painting.)



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## INTERNATIONAL

## Congo's Fate Lies in the Hands of Neighbors Grown Used to Intervening

By Howard W. French  
New York Times Service

KINSHASA, Congo — By day's end here, when the sun's red disk sinks below the horizon and this electricity-deprived city now on razor's edge fades to black, the only people who remain in the street are the soldiers.

There are the clusters of uniformed men who patrol on foot, clinging tightly to their rifles, uncertain as they are of their future. And then there are the thousands of fresh recruits, still dressed in rags, who mill about in the streets.

"We want to fight to save our nation from the Rwandans," said Pierre Kunga, an 18-year-old who is one of the recent recruits who haunt the streets at night but have not been given arms. "This is no time to debate the flaws of our leaders. Our country is about to be swallowed up."

But despite the success of President Laurent Kabila in turning out thousands of volunteers in recent days for what he says will be a "long and popular war" against a Rwandan-backed rebellion, these new "fighters," many of them teenagers who have been trained with nothing

more than mufflers to use as mock guns, are unlikely to be decisive.

Instead, the endgame of this conflict, the latest of many in a country whose history has been full of uprisings, is likely to be decided by more powerful neighbors with sharply divergent interests, but with one trait in common: They have all grown used to playing king-maker in Africa's third-largest country.

When Mr. Kabila himself was swept to power at the head of an alliance principally armed and manned by Rwanda, Uganda and Angola, Washington seemed to applaud after a brief moment of hesitation over the military overthrow of a longtime ally, Mobutu Sese Seko. These were "African solutions to African problems," according to a fashionable phrase in policy circles.

As Mr. Kabila's star wanes, following a 15-month presidency marked by erratic behavior, diplomatic blunders and sinking popularity, it is now those same allies whose interests are beginning to clash dangerously as the Rwandan-led effort to overthrow Mr. Kabila gains pace.

In starting their second rebellion in Congo in as many years on Aug. 2, Rwanda quickly secured the allegiance of Mr. Kabila's biggest army unit,

the 10th Brigade, in the eastern city of Goma. Two days later they were boldly flying rebel troops to the opposite end of the country, where they opened a front near Kinshasa in the west.

"This is unbelievable," gushed a Western diplomat, before the evacuation last weekend of the U.S. Embassy here. "They have nearly achieved as much in seven days as the Kabila rebellion did in seven months."

Rather than give up without a fight, as his predecessor, Marshal Mobutu, did, what Mr. Kabila has done in the last few days is to throw his energies into rallying Angola and other African countries behind the idea that Rwanda is threatening stability on a grand scale.

It is unclear whether Mr. Kabila's personal diplomacy comes too late or will produce too little concrete support to save his own regime. Local businessmen and others with knowledge of military activity here say that Angola has been using its airplanes to ferry troops for Mr. Kabila's army, and has provided the government with a battalion of so-called Katangese gendarmes, longtime Congolese exiles who have fought in Angola's army.

What is becoming clear, however, is that there is a growing rift within the continent separating

Rwanda and Uganda, two of Washington's closest African friends, and other countries, mainly in southern and central Africa, that resent their far-flung interventionism.

For now, say experts in African political affairs, Congo is the theater of this tension, whose immediate effects are still mostly unpredictable. What is to be feared, they say, is that the rivalries and instability these tensions create may eventually be played out on a far larger stage.

"What is happening now could lead to the breakup of the Congo," said one senior central African diplomat who spoke on condition of anonymity. "It could lead to a new explosion of the civil war in Angola. It could backfire on Rwanda, exacting a terrible price from a country that is ruled by a small minority."

Under the first scenario, if Mr. Kabila's forces are unable to hold the capital, they may simply decide to beat a retreat to the president's ethnic fief in southern Congo, effectively turning the mining town, Lubumbashi, the country's second-largest city, into a de facto rival capital of Kinshasa.

What is worse, these analysts say, however well masked by hastily cobbled-together coal-

tions, the imposition of a new government in Kinshasa by a foreign power like Rwanda, which is deeply despised by the population of much of this country, is unlikely to produce stability.

Although Angola, which has the region's largest army, has yet to completely show its hand in the current crisis, African diplomats say that the country's primary interest here is in having a stable government, and one that can secure the long common border.

Finally, there is tiny, but powerful, Rwanda. Whether or not the rebellion succeeds in toppling Mr. Kabila, many here say that over the long term Rwanda's interventions in Congo are likely to come back to haunt Kigali.

Already, in his desperate efforts to save himself, Mr. Kabila's government has openly made common cause with anti-Tutsi guerrilla groups that have been attacking Rwanda and Burundi for years from Congolese soil.

"This war is a repeat of an already failed attempt to settle the future of Congo by force," said one senior African diplomat. "Instead, it has set people and whole regions against each other. What we have now are nations and whole communities that are learning to hate each other."

## ULSTER: IRA Offshoot Regrets Bombing

Continued from Page 1

several hundred mournful people, many weeping as they prayed, crowded around a small gray stone church and graveyard near the rural village of Augher, near Omagh, to watch the burial of Avril Monaghan, 30, her 18-month-old daughter, Maura, and the two infant girls in her womb, due to be born next month.

The Monaghans were the first victims to be buried. Mrs. Monaghan's mother, Mary Grimes, who will be buried on Wednesday, was also killed with her daughter and granddaughter on Saturday afternoon as they left a shop on Market Street. They were all killed when a terrorist car bomb devastated the downtown shopping area at mid-afternoon in Omagh.

No one could recall when a single terrorist attack had simultaneously killed members of three generations of the same family.

"We pray for forgiveness for those who caused that most awful act of murder," said the Reverend James Grimes, Mrs. Monaghan's uncle. "We hope that this may be the last of the terrible agonies that people have suffered during the past 30 years."

At the 200-year-old church of St. Macartan, on a hill with a view of several fields of grazing cattle, many people who had apparently been fighting back tears broke down and wept as two coffins, a large wooden one and a small white one, were carried out of the church to the graveyard. Michael Monaghan, the husband and father, who still has three children, two girls and a boy, under five years old, lowered his head and was guided by friends who held his arms.

People stood guiltily on graves and leaned on headstones, straining for a look at the burial, giving formal responses to prayers recited by one of the priests.

A neighbor, Liam McConnell, who runs a pub here, said he had just agreed to hire Mrs. Monaghan as a bookkeeper.

Instead, he brought his old mandolin to St. Macartan's on Tuesday and played a traditional Gaelic song of mourning.

P.J. O'Connor, a cousin of Mr. Monaghan's, said he and others had sat up Monday night with the bereaved father. "He was taking it fairly well," Mr. O'Connor said. "With people around you, you're all right. We talked about other things. About football, the local teams. There was no drinking."

Mr. O'Connor, a 45-year-old house-builder, works with Mr. Monaghan, who is a joiner. He said the area for miles around this village was largely overwhelmingly Roman Catholic and that most of them voted in May in favor of the new Northern Ireland peace agreement, which is designed to end the violence and give Catholics more political power in this predominantly Protestant province.

"She was a very friendly person," he said of Mrs. Monaghan almost in a murmur.

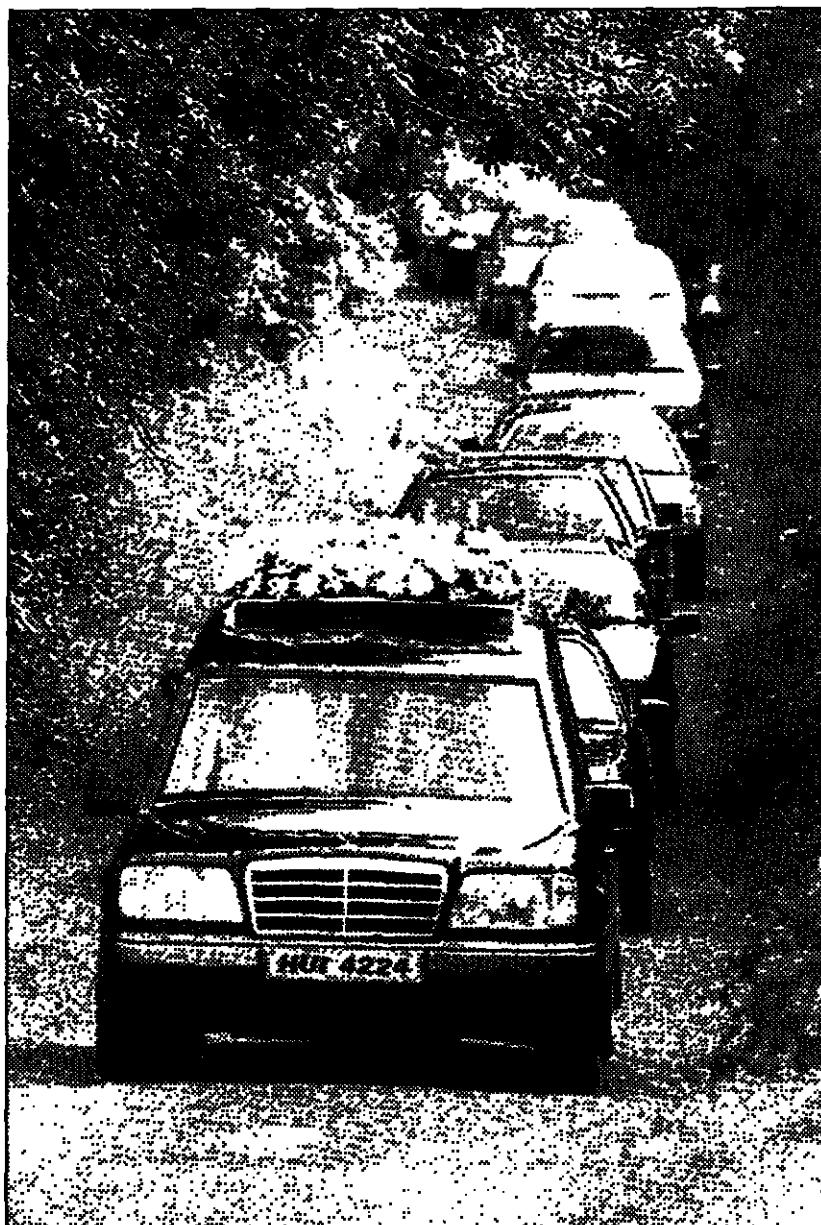
"Then she went out shopping with the baby in Omagh."

Police on Tuesday were still questioning five men arrested in the area on Monday in connection with the attack. The Irish and British governments were preparing new security measures to curb terrorism, but indicated that they would not now propose the restoration of preventive detention, internment of terrorism suspects without trial.

In the early 1970s, the British interned hundreds of IRA suspects, but they became international celebrities as they protested their imprisonment in hunger strikes.

On Tuesday afternoon Prince Charles visited Belfast and Omagh to offer the British royal family's sympathy. He recalled that his uncle, Lord Mountbatten, had been killed by the IRA in 1979.

"My memory goes back to 19 years ago when Lord Mountbatten was killed," he said, "so I do have some understanding of the awful horrors that people have to put up with."



The funeral cortege of Avril Monaghan and her daughter, Maura, en route Tuesday to St. Macartan's Church near Augher, Northern Ireland.

## PSYCHE: Time and Again in Public Life, Clinton Treats the Truth as an a la Carte Menu

Continued from Page 1

such protean political talents could indulge in such conduct at a time when he knew a special prosecutor was already scrutinizing his administration and when his own re-election still hung in the balance remains the most puzzling question about William Jefferson Clinton. But it is not a new question, and in some ways it was entirely predictable that this president should have come to this pass, his promise once again shadowed by his shortcomings.

For Mr. Clinton has always been convinced that he could outsmart, out-talk, out-charm and outlast any adversary, and very often, enough to confirm that conviction, he has. In the darkest days of the 1992 primaries, he dared to campaign on a platform of personal responsibility, despite widespread questions about his own marital fidelity, marijuana use and draft record, and widespread doubt that his answers were candid or complete. In his first term, he shifted ground so many times that even his best friends sometimes said they did not know where he stood.

Time and again in the risky running

melodrama of his public life, Mr. Clinton has treated the truth as an a la carte menu. On Jan. 21, as news of the accusations involving Ms. Lewinsky came out, Mr. Clinton told National Public Radio: "I don't know any more about it than I've told you, and any more about it, really, than you do."

Even Monday night, Mr. Clinton insisted that when he testified under oath in January that he had not had a sexual relationship with Ms. Lewinsky, his answers were "legally accurate," though he added: "I did not volunteer information."

In the end, such sweeping elisions lie far beyond the ken of conventional political analysis. But professionals who have studied the arc of Mr. Clinton's life and career have suggested some answers. "Most people wish to think well of themselves," wrote Stanley Renshon, a political scientist and psychoanalyst at New York University in his 1996 study of Mr. Clinton, "High Hopes." "However, Bill Clinton appears to have come to believe the best of himself and either to avoid or discount evidence from his own behavior that all is not as he believes it to be. He attributes to himself the most sincere and

best of motives. His errors, when action knowledge, are the result of basically correct efforts gone temporarily awry, misunderstandings that, if one knew more of what he knew, would disappear or be mitigated, or else are attributable to naivete and inexperience."

Mr. Clinton may have come by his capacity for denial and compartmentalization naturally. They were among the qualities that allowed his widowed mother, Virginia Kelley, to persevere after Mr. Clinton's father died three months before he was born and that allowed Mr. Clinton to make what most critics regarded as a splendid State of the Union address just days after the intern scandal broke.

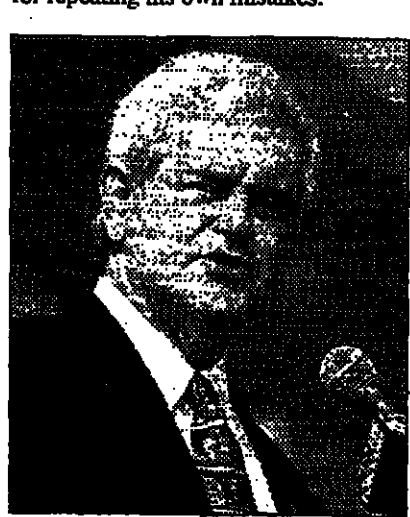
"When bad things do happen, I brainwash myself to put them out of my mind," Mrs. Kelley wrote in an autobiography, published after her death in 1994 under the president's review. "Inside my head, I construct an airtight box. I keep inside it what I want to think about and everything else stays behind the walls. Inside is white, outside is black. The only gray I trust is the streak in my hair."

But gray is Mr. Clinton's favorite weapon. It has been central to his successes and to his setbacks. As governor

of Arkansas and then as a presidential candidate, he succeeded in blurring old distinctions of ideology, proclaiming himself neither liberal nor conservative but "new." As president, he at first promised both a tax cut and new spending, then raised taxes instead. Two years later, he apologized for raising taxes too much, claiming that Congress had forced him to do so, a claim at sharp variance with the facts.

Immeasurable times, Mr. Clinton has accepted responsibility and forsaken blame. After his 1980 defeat after one term as governor of Arkansas, his political consultant Dick Morris advised him that the key to a comeback was to apologize for past mistakes, like raising taxes and car license fees. Mr. Clinton resisted repeated entreaties to say he was sorry, devising his own folksy formulation for a television commercial: "When I was a boy, my daddy never had to whip me twice for the same thing."

In fact, the only daddy Mr. Clinton knew was an alcoholic stepfather who sometimes beat his mother, not him. And the president has spent a great part of his life being whipped, often quite publicly, for repeating his own mistakes.



Newt Gingrich speaking Tuesday. He said he would reserve judgment on the president's admissions until receiving Kenneth Starr's report.

administration cautioned that Mr. Clinton may not enjoy the strength needed to carry out such challenges.

The question is whether those in the political process — congressmen and senators — will abide by his wishes and believe in what he is saying. "The Republican said,

"There are many who would prefer to stand on the sidelines because they don't know whether or not he can restore his credibility."

## CLINTON: Key Questions Unanswered

Continued from Page 1

his departure for a two-week vacation in Massachusetts to call leading Democrats, as well as members of his staff and supporters, and seek their understanding and support.

Republicans continued to caution that the Lewinsky matter will not be over until Mr. Starr reports to Congress, probably next month, on whether he has found "specific and credible evidence," in the terms of the law, that Mr. Clinton committed perjury or other crimes.

While 60 percent of Americans said in a CBS poll that they were satisfied with his comments and similar numbers continued to support his job performance, a CNN survey found that his personal approval rating had plunged from 60 percent to 40 percent.

But most Americans do not favor either Mr. Clinton's resignation or impeachment proceedings, opinion polls indicated. A USA Today/CNN/Gallup Poll found that 72 percent of Americans believe the country would be better off if he stayed in office.

Nor was it clear that Mr. Clinton had reduced the danger of legal troubles that could result once Mr. Starr turns over his report to Congress or that he had mollified those detractors in Congress who think impeachment proceedings may be justified.

Thomas Mann, director of governmental studies at the Brookings Institution, said, "Probably all of Washington was surprised by the defiant tone of the speech and the limited contribution."

Allan Lichtman, a specialist on presidential politics at American University, said, "Clinton kicked sand in the face of the Republicans by going after the independent counsel. He certainly did less than he could have to repair his relations with Congress" or the independent counsel.

During his session with Mr. Starr and his deputies, Mr. Clinton declined to answer some questions that he considered too personal or graphic, advisers said. As a result, Mr. Starr may still try to force the president to give fuller answers in a second grand jury appearance, The Associated Press reported, citing unnamed sources.

It seemed highly unlikely, however, that Mr. Clinton would submit to a second round of questioning, and legally unclear whether Mr. Starr could compel him to return. Such an attempt by Mr. Starr, said Mr. Mann of Brookings, would lead to "a long and vicious battle."

Mr. Starr continued his investigation Tuesday, calling a former Clinton political strategist, Dick Morris, before the grand jury. Mr. Morris worked at the White House during part of the time Ms. Lewinsky was there, before resigning after reports linking him to a prostitute.

Thus it appeared that the prospect was for continued political rancor and antipathy here in coming weeks and months.

"My reading of the speech," said Mr. Mann, "was that Clinton was preparing for all-out war with Ken Starr. He's convinced that Starr is out to get him, and he's sending a signal that he won't go easily."

Mr. Clinton's comments about the independent counsel clearly angered many congressional Republicans.

Senator Orrin Hatch, the Utah Republican who has emerged as a party spokesman on the Lewinsky matter, said "That's the biggest mistake he's ever made."

A former vice president, Dan Quayle, and a prominent Republican senator, John Ashcroft of Missouri, called on Mr. Clinton to resign.

Still, Mr. Hatch said that Mr. Clinton's expression of regret may be enough to persuade legislators to drop any possible impeachment inquiry, assuming Mr. Starr produces no convincing evidence of obstruction of justice.

The speaker of the House, Representative Newt Gingrich of Georgia, said Tuesday that it was too early to judge the president, or the impact of his comments Monday to prosecutors and the public.

Democratic legislators, who had been cautiously supportive of Mr. Clinton as he maintained his innocence, expressed disappointment that the president had lied, but declared his explanation adequate.

The House minority leader, Richard Gephardt of Missouri, said in a statement, "It is my most fervent hope for the country that this investigation can be brought to its long overdue conclusion."

Mr. Clinton received a strong message of support from two top aides. Vice President Al Gore said in a statement, "I am proud of him — not only

because he is a friend but because he is a person who has had the courage to acknowledge mistakes."

Hillary Rodham Clinton said through a spokeswoman that she was "committed to her marriage and loves her husband."

"Clearly, this is not the best day in Mrs. Clinton's life," said Marsha Berry, the spokeswoman, adding that the first lady learned of the nature of her husband's impending testimony only over the weekend.

But, Ms. Berry added, "She's committed to her marriage and loves her husband and daughter very much and she believes in the president, and her love for him is compassionate and steadfast."

The president's advisers said Tuesday that the tone Mr. Clinton struck was more confrontational than some had hoped for. It came just hours after a difficult session with prosecutors.

By admitting in the Map Room session, which was broadcast by closed-circuit television to grand jurors in a federal courthouse to the east of the White House, that he had had sexual relations with Ms. Lewinsky, the president narrowed his legal vulnerability to charges of perjury, analysts said.

## WORLD: Questions on Clinton

Continued from Page 1

appearances with the scandal over his relationship with Monica Lewinsky hovering above him, then wondered whether that performance could maintain its momentum or whether "his image is too tainted."

"Can he mobilize the support he needs in Congress on crucial issues such as Kosovo?" asked Guenther Nonnenmacher, an editor and editorial writer at the Frankfurter Allgemeine Zeitung.

Similar worries about Mr. Clinton's effectiveness — and the possible long-term cost to the presidential office — were echoed across Europe and in Asia. The main thrust of coverage in the French daily Le Monde, published at midday, was that buoyancy in the U.S. economy would carry Mr. Clinton through to the end of his term, with the president continuing to offer unpredictable potential for either a comeback or fresh problems. Looking further ahead, Le Monde said that the duel between the White House and the independent counsel pursuing the case, Kenneth Starr, had weakened both institutions.

In Japan, Tuesday evening newspapers labeled Mr. Clinton's carefully worded public admissions a "clever excuse" and "sleight of hand." The Asahi Shimbun, a leading daily, devoted more than half the front page to reports and assessments, cautiously concluding that the president had probably escaped any threat of impeachment. "But even if he is able to calm things down on the surface, the strength of the administration has been inescapably weakened," the paper said.

Similarly, in South Korea, a pro-business daily, Jungang Ilbo, said that the White House seemed to have calibrated its admissions concerning Ms. Lewinsky to avoid impeachment without restoring confidence in the president's candor.

This "loss of credibility for the president may mean difficult times ahead, with his moral authority being constantly challenged," the paper said.

Even though it had been widely predicted that Mr. Clinton was going to acknowledge falsehoods in his previous accounts of his relations with Ms. Lewinsky, some commentators seemed to be taken aback that he had actually gone so far as to confess publicly to a sexual affair in office.

This "redemption dimension," as a French television commentator put it, underscored the special American character of the scandal, with newspapers in Asia and Europe saying that few other countries would get so exercised about the importance of a lie from a political leader, especially one hounded into discussing his private life.

In contrast, a Hong Kong newspaper, Sing Tao, predicted that Mr. Clinton could be a social pariah, saying a lack of ethical restraint and family values on his part explained widespread discomfiture with Western culture.

Gibes at America in the Clinton era came in Europe, too. The Aftonbladet newspaper in Sweden said that the United States could be discredited as the guarantor of international order because of the "double standards and hypocrisy that have been allowed to dominate U.S. politics and media for years."

A conservative London tabloid, The Sun, called Mr. Clinton "a serial philanderer." It thundered, "A world that has no respect for the leader of America has no fear of America either."



## 'Chimes': Weirdly Majestic Chichester Stages Welles's 'Lost Classic'

By Sheridan Morley  
International Herald Tribune

LONDON — In 1966, Orson Welles took Shakespeare's greatest chronicle plays, the two parts of "Henry IV" plus a scene from "Henry V," gutting and telescoping them into a great if flawed film masterpiece, much like old Orson himself, which essentially kept all the Falstaff scenes and threw out virtually everything else.

Because the film of "Chimes at Midnight" had a great cast — Welles as the fat knight with John Gielgud, Margaret Rutherford, Jeanne Moreau and Keith Baxter — it has now acquired "lost classic" status. It's the kind of patchwork, incomplete folly that Citizen Kane might have shot over a long weekend with a few starry friends at his San Simeon estate, Marion Davies perhaps doing her Mistress Quickly.

Now, at Chichester, we have the first staging of "Chimes at Midnight" since Welles's death, with only Keith Baxter (Hal in the film, now his father, Henry IV, on stage) surviving from the original project. But we also get Simon Callow, Welles's representative on Earth and still midway through his definitive biography, as Falstaff, along with Sarah Badel as Mistress Quickly in a brisk, economic staging by that still most underrated of brilliant stage managers, Patrick Garland, who as either producer or director, often both, has been responsible for almost all of the best of Chichester over the last quarter of a century.

Inevitably, the production has already run afoul of many of my critical colleagues simply because Garland, Callow, Baxter — and I guess you could include Welles himself — stand for a tradition of highly theatrical, actor-led drama that reached its height at the Old Vic of the late 1950s and then got overtaken by the Cambridge academics who founded the Royal Shakespeare Company and later ran the National.

It also has to be said that, given Chichester's current economic troubles, this "Chimes at Midnight" is woefully underfunded and often horrendously undercast, so that at times it looks like the kind of tacky pageant run up by Hilary Edwards and Michael MacLiammóir at The Gate in Dublin, where they first discovered Welles early in the 1930s. Yet for all that there is a weird kind of majesty here, and most of what goes wrong is simply what went wrong when Welles first had the characteristically megalomaniac idea of an all-Falstaff show 40 years ago.

If you cut away all else in these great plays, you lose that all-important sense of a tapestry of England from the highest to the lowest in the land. All that really obsessed Welles was the idea of Hal torn between two fathers, Falstaff and the king, but as a result many of the minor characters here drift around the stage shorn of their subplots and therefore with no real reason for existence.

Callow is a memorable if not mesmerizing Falstaff, lacking both the ruined majesty of the late Robert Stephens in the role but also unable to capture the joyous



Keith Baxter as King Henry IV in Chichester's "Chimes at Midnight."

bravado of the best I ever saw, Anthony Quayle. For all that, his is a thoughtful, jovial, intelligent and at the last, touching old knight — best when he is left alone on stage to chat to the audience about the joys of alcohol or the inanity of seeking honor on a battlefield.

Elsewhere, however, both Tam Williams (as Hal) and Tristan Gemmill (as Hotspur) are dangerously and unexpectedly lightweight, and it is left to a few old-stagers like Timothy Bateson and John Warner to bring, in the Shallow-Silence scene (also shamefully truncated by Welles), a rare distinction in character and verse, though other old luvvies in beards and cloaks wander around as if involved in some prewar Garrick Club pantomime. Yet there is something crucial at the heart of this production; a reminder of the intermittently blazing power of the theater, and that sense of vast personal drama in which the actor is all. We are still only getting a corner of Shakespeare's tapestry, but you are not other stage in the country.

Back in London, the great news is that after more than a decade in the dark, the Round House at Chalk Farm is once again open for theatrical business; the less great news is that it reopened with a National Theatre touring revival of "Oh What a Lovely War" so endlessly, pointlessly overblown and overlong that it might have been a lot faster just to rerun World War I itself.

Joan Littlewood's 1960s Stratford East classic, cobbled together from an old radio show recalling the songs of the trenches, has been spectacularly filmed by Attenborough and frequently revived on stage. At its best, it is a tart satire that brilliantly counterpoints the inanely up-

beat music-hall songs of the period with the sheer horror of statistics showing how many millions were pointlessly slaughtered in the war to end all wars.

In its own concert-party Pierrot way, this was the nearest the British theater ever got to Kander & Ebb's "Cabaret," about the coming of another world war, but there is no excuse for Fiona Laird's new production to push it over the top to three hours when two has always been adequate, especially when Littlewood herself was a great advocate of cutting.

ALSO, though David Arnell is a fine, sinister master of ceremonies in the Joel Grey tradition, and Clive Hayward is mastery as the incredibly stubborn, murderous Haig, we sorely lack character actors of the original Joe Melia/Murray Melvin variety. The final curtain is therefore as welcome as the Armistice, and we seem to have spent as long a time getting there.

Meanwhile, a brisk revival of Joe Orton's most famous farce, "Loot," comes into the Vaudeville from Chichester — still raising a lot of grumpy laughs as a couple of bank robbers and a murderous nurse try to dispose of a corpse so they can fill the coffin with stolen banknotes. Orton was the first to see the comic potential in linking the worlds of Brian Rix and Oscar Wilde, so that farcical stereotypes speak in the outraged language of Lady Bracknell, and he was also — in the character of the manic, forlorn Truscott of the Yard — to create one of the great comic archetypes of this half-century.

But that, over 90 minutes, is about it. David Grindlay's brilliantly cast production is now looking a little threadbare, and its original shock value has inevitably begun to show its age.

## Miles Evans: Names Count

By Mike Zwerin  
International Herald Tribune

PARIS — Growing up, Miles Evans preferred to listen to Ray Charles and Stevie Wonder and others who were admired by his namesakes and who could afford their own airplanes. He did not listen to the music of Miles Davis or his dad, Gil Evans.

Davis always had a Ferrari or a Lamborghini or two parked here and there, but they don't fly. He kept totaling them. And Gil was the kind of person who would laugh at the irony of his actually needing the senior citizens discount on the subway.

All of this probably has more to do with the weight of given names than with ownership or transportation. Whatever, the kid began to feel more comfortable when trumpeters befriended him. "Wow!" he thought. "If this is the way trumpet players are, I want to be one."

In what he calls "my little reality," he got the feeling that trumpet players were different in kind from other people. They were kinder. He was aware of a "special bond" between him and the trumpeters. Marvin (Hannibal) Peterson and Jon Faddis went out of their way to be considerate. Lew Soloff loaned him a horn when he was only 13.

These trumpeters all played with his father's orchestra. They played correctly. They had strong embouchures and were careful to avoid excess pressure on their chops. The trumpet is an extremely physical instrument. They kept in shape, watched what they ate on the road and they took care to develop good posture for better breath control. They could sight-read, play lead, and improvise too.

Miles Davis was not that kind of a trumpet player. He was not a very supportive person either. Evans was not really all that close to Davis, but still, being named after him was a bond. Evans was 16 in 1981, when Davis began a comeback. Davis and Gil Evans were not on speaking terms at that point. They were kind of "taking a break from each other" is the way the son looks back on it.

But he had Davis's number and being a teenager, he could get away with dialing it. He went over and had a "little lesson." They spent some hours together. It was fun. Davis was "talking about interesting stuff." But coming back was a full-time job. Davis was trying to coordinate his head with his fingers, and he was fighting for his health too. It was amazing that he could still play the trumpet at all with the distractions he



Miles Evans: Trumpet players were different.

was so good at manufacturing. And anyway Davis had never claimed to be anybody's father figure.

Gil Evans went to London to conduct British musicians playing his music. He could not afford to bring his own. Young Miles went along for the ride after Davis bought his ticket. As long as he was going, he took his horn. One thing led to another. Afterward, the New York band went to Japan, to Europe, and to Japan again. By the time Sting sang Jimi Hendrix songs with them, young Miles was a permanent part of the trumpet section.

WHEN his father got sick in 1987, the band was playing for packed houses every Monday night in the Sweet Basil club. After he died in 1988, the son talked to the owner about continuing them. It was a good idea and it worked. "Amazing players" like Hiram Bullock, George Adams and Brad Mehldau passed through the band Miles Evans had begun to lead. But there was a boss's son problem. Evans was only 24 when he took over. He had no track record; he had never done protracted work with anybody else. He looked at it as a growing experience. John Scofield taught him about sharp ninth chords and so on, and he studied his father's scores.

Gil wrote unusually strong inner voices. A second trumpet played lines that were as interesting as the lead. There were in fact no secondary lines. A third alto saxophone part played all alone could work as a solo. This encouraged

everybody to listen to everybody else, and so they all played with more care. Miles Evans is still full of wonder about it: "Gil would have a muted trumpet going up, a bassoon line going down and a dissonant tuba note on the bottom. The new sounds he found were really awesome."

Watching the audience in the New Morning in Paris when the band performed there recently, you noticed that the joy of hearing tutti sections from "Porgy and Bess" would light up their faces. It was like they were meeting old friends. Not ex-friends now rich or legendary; hearing these familiar ensemble passages was like rediscovering dependable companions who have been in your life for many years. You go on loving them even though they keep repeating themselves. What they have to say bears repetition.

At the end of the evening after the audience had left, Evans said that the band will be back in Europe this winter "if the estate agrees." "The estate is the boss when it comes to the Gil Evans name. It's a long story and I'd rather not get into that now."

His mother, Anita Evans, the executrix of the Estate of Gil Evans, sitting by Miles's side, also preferred not to get into it. A painter and a native of Greenwich Village, she is a woman with great poise who is always careful to be modest in relation to both of her sons' careers.

Miles's older brother, Noah, was disconnecting the New Morning's sound mixing table. He had been the sound man that night. Noah has worked as an engineer or a producer with, among others, the Beastie Boys, Sting, Willie Dixon, Robbie Robertson, Luscious Jackson and Gil Evans. He plays the bass and writes songs too, and that night Noah also had served as a roadie, setting up the stage and tearing it down. Anita hoped that they would be able to afford a full-time roadie for the next tour.

Miles Evans wore a tight T-shirt on stage and it was obvious that he works out. He lifts weights, stretches, pedals an exercise bike and practices yoga too.

"You just feel better. And with the stretching, you're not stiff. It's a great feeling."

"Miles Davis was into that too but not the same way. There was one trumpet player he would never go to hear because he said he didn't like the suits the guy wore. He was so fashion-conscious. He had this amazing ability to constantly wear real cool clothes. When styles changed, he'd keep right up."

"Miles was into looking good more than feeling good. I'd rather look good and feel good at the same time."

## BOOKS

### HAPPY ALCHEMY: On the Pleasures of Music and the Theater

By Robertson Davies. 384 pages. \$27.95. Viking.

Reviewed by Peter Marks

NO OFFENSE to Canada, but in a way it's too bad that Robertson Davies did not live in a country of more, shall we say, geopolitical importance. Davies, a novelist, playwright, newspaperman, commentator and critic who died in 1995, was a keen observer, defender and interpreter of all things Canadian, and to say that his status in that vast, sparsely populated nation was as a kind of free-thinking Shavian figure is to reflect on both the breadth and vitality of his intellect and, perhaps, the all-too-limited boundaries of his influence, at least insofar as affairs of the day were concerned.

His range of interests extended far beyond the borders of Ontario or Manitoba, of course, as is ably demon-

strated in "Happy Alchemy," a posthumous collection of essays, plays, speeches and librettos edited by his widow, Brenda Davies, and their daughter Jennifer Surridge.

Applauding "On the Pleasures of Music and the Theater," the anthology narrows Davies's focus to two of his lifelong passions, opera and drama. This is by no means intended to narrow our view of Davies, celebrated author of "Leviathan of Malice," "The Manticores" and "What's Bred in the Bone." If anything, the book in thoroughly entertaining fashion acquaints us with Davies's expansive erudition and gift for rendering literary and historical complexities in simple, human terms.

The Greeks, Shakespeare, Mozart, Verdi, Shaw: They all enthralled Davies, an inveterate theatergoer who grew a bit compulsive about his habit. In 1957, his editors report, he began augmenting the diaries he kept for much of his life with notices he wrote up for every play and opera he

saw. And though he was to teach drama at the University of Toronto for 20 years, he seemed to relish the idea of himself as an enthusiast rather than an expert.

"It may prove that I was not a good playwright," he wrote, in an excerpt from the first page of the musings he called his Theater Notes, "but I sincerely believe that I have been a good PLAYGOER, and that is something better, perhaps, than having been a well-known critic. Critics often do not like the theater; I have never liked anything better."

The purity of his passion is apparent in the assortment of short takes that make up "Happy Alchemy"; it becomes clear, as you absorb his arguments on the nature of evil in "Macbeth," or why the genre of melodrama has been unfairly maligned, or how Lewis Carroll's obsession with little girls, so suspect to the contemporary skeptic, could have remained chaste, that Davies is the ideal theater buddy, a generous audience member with a classicist's appreciation of form.

If he seems a little impatient at times with the liberties of modernism, you chalk it up to his wide experience of more traditional kinds of theater (although, interestingly, he rails against realism on the stage). He was not anything close to an old fogey about the theater or opera. He was simply a playgoer who knew a little about virtually everything, and in some specific areas of inquiry quite a bit more than that.

There's something donnish in his ruminations, and the 33

entries in the collection represent the marginalia of a life in academia and letters; the texts of addresses to gatherings of scholars and theater lovers, introductions to literary anthologies, Waugh-like bits of satire. The author's devoted wife and daughter include Davies' comments on audience reaction to his speeches, which he always found to be (surprise!) very good indeed. (The ego was robust.)

A few of the pieces might have remained in the family scrapbook — Davies' appreciation of Laurence Olivier for Maclean's magazine, for instance, is disappointingly generic — but by and large "Happy Alchemy" serves up his ideas on topics serious and serendipitous as a refreshing medley.

The disparate elements of "Happy Alchemy" may have been put to paper at disparate moments, but there is a linkage here, in the unifying tone of Davies' fancies.

When, in the late 1940s, a friend proposed to write a play about Canada, Davies recalls in one of his essays, he had his doubts: "It was risky because Canada has for a long time been thought a dull country, with dull people. But there was a time when Norway was thought dull, and Ireland was thought absurd, yet both of them brought forth plays which have been acclaimed as treasures by theaters around the world."

As "Happy Alchemy" attests, Canada's own literary reputation got an immeasurable boost with the addition of Davies to the library.

New York Times Service

## Visiting the King's Biggest Fan

By Phil Patton  
New York Times Service

HOLLY SPRINGS, Mississippi — "I guess I know more about Elvis than Elvis knew about himself," said Paul MacLeod, who over the last few years has turned the antebellum house he inherited here into Graceland Too, a shrine run by "the universe's, the galaxy's, the planet's, the world's No. 1 Elvis fan," as he describes himself.

Given the King's conviction that the unexamined life was indeed very much worth living, this may not be hard to claim.

But MacLeod, who went to 126 Elvis concerts, certainly knows a lot about him, as does his son Elvis Aron Presley MacLeod. Touring Graceland Too, \$5 admission, I heard it in a stream of numbers and slogans.

Numbers like 42, the age at which Elvis died, to hear MacLeod tell it, an amazing number of other people died. Or 140 million, the number of Elvis stamps that were issued; many now cover the kitchen ceiling. Or 197,000, the number of square inches of carpet that once covered the floor of the Jungle Room at the "other" Graceland.

MacLeod purchased the carpet — "the rubber backing, too" — when it was replaced. Portions of the carpet, cut into one-foot squares, are mounted in gilded frames that hang throughout the house. Or "busloads," the number of visitors he was expecting last week, the anniversary of the King's death.

But as much as it's a shrine to the singer, it's a shrine to the MacLeods, as the Medici chapel glorifies the Medici family as much as the deity. Graceland Too has made their "lives complete," the MacLeods say.

I found the house with its twin chimneys in a quiet neighborhood of this quiet town about an hour's drive south of Memphis, where Elvis died, and

about the same distance north of Tupelo, Mississippi, where he was born, in what is now a whitewashed shotgun house.

MacLeod sets great store by this geographical symmetry. In a window above the front door hung what appeared to be a beach towel of the late Vegas-era Elvis. The sign said to come right in, but a knock brought no response. The back door was ajar, and I stepped into a kitchen.

Then I caught sight of MacLeod — Elvis hairdo, rapid-fire speech, holding a cordless phone.

He showed us some highlights of a collection estimated, he said, to be worth more than \$10 million: rare records, clothing, one of Elvis's school report cards.

He took us to the photo room, lined with snapshots of visitors, and we posed for his flash. In each of those photos, you could see the photos on the wall behind and in those photos were photos on the wall. He also pointed out the gold suit, identical to one on an Elvis album cover, in which he plans to be buried.

worth more than \$10 million: rare records, clothing, one of Elvis's school report cards.

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Graceland Too does not attempt to duplicate the "other" Graceland. For one thing, it's far older — 144 years old — and not a 20th-century replica of an antebellum mansion.

For another, it's not surrounded by the used-car dealerships and fast-food joints of Elvis Presley Boulevard, but

by a sleepy neighborhood of modest 1840s houses with low porches.

"Where Elvis never sleeps" is one of the MacLeod slogans — and the MacLeods rarely do, either. They take turns monitoring the media for all references to Elvis, recording them on one of a dozen VCR's and logging in hundreds of books every time a deep play a record, every time he shows up in a movie.

Against one wall, footlockers containing tapes are stacked high. Media logs bearing a complex system of letters and numbers on their spines line the room, documenting millions of references "from the obvious to the minuscule," as MacLeod puts it.

He can tell you, say, "that on 6:30 P.M. Dec. 23, 1995, a poster of Elvis appeared in the back of the set of the television show 'Entertainment Tonight.'"

The result is a level of domestic deshabille that struck close to home for me — and my own media-monitoring decor, my stacks of magazines, tapes and notebooks.

Not quite a home, not quite a museum, Graceland Too may be more like all our houses than it would seem. Its decor is only a larger, more obsessive version of any number of shrines to athletes or rock stars in teenagers' rooms, of bulletin boards devoted to football heroes or dresser tops to Diana, the Princess of Wales.

BUT it's also like a grandiose enlargement of the sports fan's den, with his Dallas Cowboys satellite television package and ESPN. It's a monitoring station, a media equivalent of a radar post on the Distant Early Warning line, or Mission Control at Houston, tracking the trajectory of the Elvis legend.

MacLeod has another probably inevitable slogan: "Elvis will never leave this building." But I was plenty happy to leave.

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## Mailing to 'Messaging'

### Pitney Making Transition into E-Mail World

By Claudia H. Deutsch  
New York Times Service

STAMFORD, Connecticut — Michael Critelli well remembers the uncertainty he faced when he became chief executive of Pitney Bowes Inc. two years ago. Investors, and more than a handful of Pitney insiders, were worried that faxes would kill regular mail, then e-mail would kill faxes, and finally, all these changes would kill Pitney's profits.

"People were saying we'd drop off a cliff," Mr. Critelli recalled.

Actually, the company has kept its footing quite well. Its postage meters and its management services division is finding new customers.

Its stock price and earnings have climbed steadily in the past few years. So has overall mail volume, fueled by direct marketing and a flurry of bills generated from Internet commerce. Indeed, the number of postage meters that Pitney rents went up 5.9 percent last year, the largest annual rise in two decades.

But does that mean that predictions of mail's demise, and, thus, of Pitney's fall, are wrong? Or are they merely premature?

There is certainly reason for worry. The Postal Service is insisting that mechanical meters be phased out in favor of more fraud-resistant digital meters, opening the field wide for digitally savvy competitors like Neopost, Francotyp-Postalia AG of Germany and

Ascom Haster Mailing Systems, a U.S. subsidiary of Ascom Holding AG of Switzerland. These companies have already carved 15 percent out of Pitney's one-time monopoly in mechanical meters.

The Postal Service has authorized E-Stamp Corp., in Palo Alto, California, to test ways of downloading postage stamps by computer, a method that could go over big with small businesses. On Monday, Pitney said it was talking to "other marketers of computer-based postal products" about licensing Pitney's technology, which the company claims it perfected first.

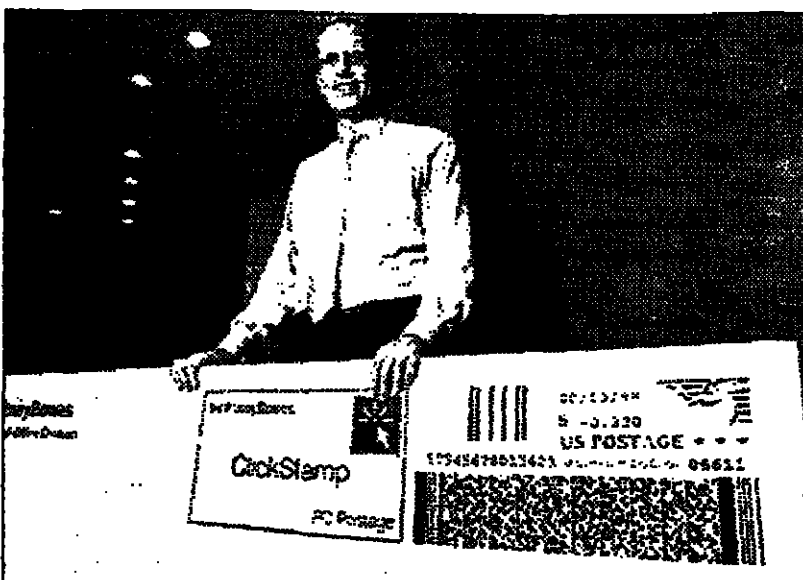
More rivals with deeper pockets are circling around the increasingly digital messaging world, too. And many mailing experts are questioning whether Pitney has what it takes to go up against Xerox, Microsoft, IBM and the host of other companies that already seem to have electronic communications down pat.

"Traditional mail and metering are under attack," said James Landy, a research director of Gartner Group, a research organization in Connecticut, "and Pitney had better figure out where it fits in the electronic mail equation."

That is exactly what Mr. Critelli is trying to do. "We need to think solely of helping customers save labor and postage on ongoing mail,"

he said. "Now we're looking to compete in every messaging niche."

Mr. Critelli already has combined old departments and created new ones. He is pushing Pitney's expertise as a



Mr. Critelli discussing the process of downloading postage from Internet.

manager not just of mail rooms, but of any print-on-paper operation. He is doing it all with one goal in mind: to change Pitney's image from mailing company to messaging company.

Mr. Critelli is transforming the company from a decentralized group of stand-alone businesses into Team Pitney. He has combined its office-equipment sales forces so that customers could have one-stop shopping for copiers, faxes and mailing equipment.

"When your only tool is a hammer, you treat everything as though it's a nail," said William Shannon, director of business operations for Pitney's new small-office division. "We're finally developing a tool kit."

Indeed, Pitney, which used to sell mainly through its direct sales force, is

experimenting with direct mail, television sales and Internet sales. It is about to introduce several software products that will let customers track incoming materials and outgoing products, convert bills and other print files to fax or e-mail, and track when a document has been acted on.

A new division, strategic investments, is figuring out how to commercialize products that do not fit into existing divisions. One example: an ergonomics business to help clients reconfigure buildings to accommodate new equipment.

The change is sending shock waves through the company's Stamford headquarters. "It's a lot less complex

See COPY, Page 15

## Cheap Oil Shrinks U.S. Trade Deficit

Compiled by On Staff From Dispatches

WASHINGTON — Inflation remained subdued in July and the U.S. trade deficit narrowed in June as lower oil prices offset rising imports from Asia, the government said in separate reports on Tuesday.

Analysts said the data suggested the U.S. economy was still on a path of sustainable growth.

"The storm in Asia is still out there, while we've still got sunny skies in the U.S.," said Diane Swonk, deputy chief economist at First Chicago NBD. "It's a status quo economy."

The consumer price index rose 0.2 percent in July, the Labor Department said, compared with a 0.1 percent increase in June, as lower gasoline prices and a drop in clothing costs offset a jump in food prices. The index rose at an annual rate of just 1.5 percent for the first seven months of the year, the report said.

The Commerce Department reported that the U.S. trade deficit in goods and services narrowed to \$14.15 billion in June from a record \$15.54 billion short-fall in May, the first decline in the deficit since January. Much of the June drop was attributable to lower oil prices. The trade deficit with Pacific Rim countries again widened.

Even with the small improvement, the trade deficit for the April-June quarter in goods and services was the highest in history at \$44 billion, un-

derscoring the heavy impact the U.S. economy has sustained from the Asian economic crisis, which has cut sharply into U.S. exports to a region of the world that accounts for a third of America's foreign sales.

For the first six months of this year, America's trade deficit was running at an annual rate of \$158 billion, far surpassing last year's imbalance of \$110 billion. The largest annual deficit on record — \$153 billion — was set in 1987.

Analysts said the combination of low inflation and instability in Asia offered little reason for Federal Reserve Board officials, who began a two-day meeting Tuesday, to change interest rates.

The Fed's monetary policy panel — the Federal Open Market Committee — concluded a three-hour, 45-minute private meeting Tuesday by signaling it had made no change in the benchmark rate on overnight loans between banks. That rate has been frozen at 5.5 percent since March 1997, when policymakers raised it a quarter-percentage point.

The economic problems in Asia figured in both economic reports. Lower worldwide demand for oil pushed crude prices down 3 percent in July. That helped keep energy prices, which account for about a tenth of the consumer price index, unchanged last month after falling 0.7 percent in June.

There were some trouble spots. Higher prices for fresh vegetables pushed up food costs, which make up about a fifth of the index, by 0.2 percent in July.

The trade deficit narrowed in June for the first time this year as imports fell 2 percent to \$90.32 billion. Exports of U.S. goods and services fell 0.5 percent to \$76.17 billion during the month.

"The U.S. economy is healthy," the Commerce Department chief economist, Lee Price, said at a briefing on the trade report.

The trade gap with Asia's newly industrialized countries, including Hong Kong, Taiwan, Singapore and South Korea, grew 50 percent in June, as the overall deficit with Pacific Rim countries widened by 13 percent.

The trade deficit with Japan jumped 6 percent in June, while the deficit with China grew 1.6 percent. The numbers measure trade in goods and services and are not adjusted for seasonal variations. (Bloomberg, AP)

## Markets' Disinterest in Devaluation Debunks a Russia Myth

By Clay Chandler  
Washington Post Service

WASHINGTON — When leaders of the Group of Seven industrialized nations decided this year to include Russia as a full-fledged participant at their annual economic summit meetings, giving birth to the Group of Eight, the rationale was that the former Communist nation was now a crucial player in the capitalist world.

But one would hardly have guessed that from the way world markets have reacted to Moscow's decision to let the ruble slide in value.

Russia's abrupt turnabout in its economic policies Monday turned out to be barely a footnote to financial markets — not surprising, many analysts said, because Russia's importance to the global economy is more myth than reality.

The decision to allow a 34 percent depreciation in the value of the ruble was a stunning shift — only days ago, Russian officials vowed to defend the value of their currency no matter what the cost.

But world markets mostly shrugged it off. Stock and currency markets in some emerging economies slipped Monday, but not dramatically, and by Tuesday most of them had recouped their losses.

Most major European stock indexes rose more than 2 percent Tuesday. In France, the CAC-40 index rose 3.5 percent, to 4,123.25 points, while in Germany, the DAX index finished 2.06 percent higher, at 5,568.88. The FTSE-100 exchange in London rose 3.31 percent, to 5,648.20.

In the United States, investors seemed to barely notice; indeed, the

Dow Jones industrial average finished 139.80 points higher Tuesday, after rising 149.85 points Monday.

"I don't see why events in Russia should completely transform the picture for the rest of the world," said Dan Bernstein, director of research at Bridgewater Associates, a Connecticut-based economic forecasting concern.

In Washington, meanwhile, officials from the International Monetary Fund and the Clinton administration made it clear that they had not approved of Moscow's policy shift. But they stressed that they did not view the prospect of further deterioration in the Russian economy as cause for alarm — or as sufficiently frightening to warrant beefing up the \$23 billion in financial assistance that the international community has already promised Russia.

A senior administration official said

the Fund and the Group of Seven leading industrialized nations had rebuffed an appeal over the weekend from Moscow for still more financial support.

"The feeling was unanimous among the G-7 countries," he said, that giving Russia more money now would have little positive effect on its economic problems.

Clifford Gaddy, a Brookings Institution economist, said that the lack of a strong reaction in world markets to the de facto devaluation suggested that global investors were beginning to recognize that Russia's economic signif-

icance pales in comparison with its former superpower status.

Analysts said a collapse in the Russian economy probably would have the largest impact in Germany and Finland, which last year relied on the Russian market for 2 percent and 3 percent of total exports, respectively.

Some analysts, such as John Lipsky, chief economist at Chase Securities Corp., warned that Russia's retreat on the ruble would give pause to investors looking at similar promises by officials in other economies, such as Hong Kong, Brazil and Argentina.

## ECONOMIC SCENE

### AFL-CIO Targets Tourism Industry

By Steven Greenhouse  
New York Times Service

NEW ORLEANS — Jacqueline Smith, a 40-year-old hotel maid, knows all too well the hard reality that lies behind this alluring city's tourism boom.

While the city's hotels command premium rates, thousands of workers who carry the industry on their backs — housekeepers, banquet waiters and laundry-room employees — work for wages that keep them below the poverty line. Ms. Smith earns \$5.98 an hour cleaning rooms at the Wyndham Hotel. The \$700 a month she takes home is hardly enough to support her three children.

"I do it to survive," said Ms. Smith, a high school dropout who says she is too busy working and rearing children to return to school.

"Who likes to clean up behind someone else?"

New Orleans is hardly alone in moving toward a tourism economy that creates mainly low-skill, low-wage jobs. But its size and prominence have made it the focus of a campaign by the AFL-CIO to organize workers in one of the United States' fastest-growing sectors: tourism, hotels and casinos.

The effort represents an important new

direction for labor, as three unions that have feuded in the past cooperate in what they term a "wall-to-wall" organizing drive that seeks to unionize all of the hotel industry's 16,000 workers here, rather than those in a few selected work places. The American Federation of Labor and Congress of Industrial Organizations hopes increasingly to employ such industrywide, citywide drives.

And just as the citywide campaign recalls the industrial unionism of the 1930s, the organizers are pursuing a strategy rarely used since the 1960s. They are asserting, as the Reverend Martin Luther King Jr. did when he marched with sanitation workers from Memphis, Tennessee, in 1968, that unionization converges with civil rights when it aims to bring economic justice to a mainly minority work force.

"You have these crushing ironies here that aren't acceptable in terms of basic social and economic justice," said the director of the organizing drive, Wade Rathke. "The industry is wildly profitable. The Hilton here is one of the most profitable hotels in the chain, and room rates in New Orleans are rising about the fastest in the nation. Yet workers are caught in a minimum-wage service-sector situation where they don't make enough to live on."

With only 11 percent of the nation's hotel workers unionized, both business and labor are closely watching the organizing drive. New Orleans officials have long boasted that the tourism boom, aided by an immense convention center, has created a tide that is lifting all boats. But the unions are basing their organizing drive on a different premise: that the boom has been a bust for many hotel workers.

"We need a union because it will help get us benefits," said Ms. Smith, who says she earns too little to afford the health insurance offered by her employer.

But Bill Langkopp, executive vice president of the New Orleans Hotel and Motel Association, said: "I don't know that the employees are unhappy. I doubt very seriously that a lot of people are grossly underpaid, especially when the big problem I keep hearing about is hotels can't get enough help."

In searching the nation for places to mount major organizing drives, the AFL-CIO selected New Orleans because its hotel industry appeared to offer one of the best — or worst — examples of the chasm between haves and have-nots.

While the tourism explosion has cre-

See LABOR, Page 15

## CURRENCY & INTEREST RATES

Cross Rates

	\$	£	DM	FF	Yen	Sc	Sw	DK	Other
Australian	2.865	1.294	1.377	0.334	0.114	—	—	—	—
Belgian	20.36	0.48	0.35	0.027	0.003	—	—	—	—
British	0.69	1.00	—	—	—	—	—	—	—
Canadian	0.71	—	—	—	—	—	—	—	—
French	16.66	—	—	1.00	—	—	—	—	—
German	1.93	—	—	—	—	—	—	—	—
Italian	136.3	—	—	—	—	—	—	—	—
Japanese	109.4	—	—	—	1.00	—	—	—	—
Spanish	166.6	—	—	—	—	—	—	—	—
Swedish	8.48	—	—	—	—	—	—	—	—
Swiss	1.48	—	—	—	—	—	—	—	—
Thai	54.8	—	—	—	—	—	—	—	—
U.S.	1.00	—	—	—	—	—	—	—	—
West German	1.93	—	—	—	—	—	—	—	—
Yen	109.4	—	—	—	1.00	—	—	—	—
Other	—	—	—	—	—	—	—	—	—

Libor-Libor Rates

	1-month	3-month	6-month	9-month	12-month	18-month	24-month	36-month	48-month
1-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
3-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
6-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
9-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
12-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
18-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
24-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
36-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
48-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

Key Money Rates

	Today	Prev	Today	Prev	Today	Prev	Today	Prev	Today
1-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
3-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
6-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
9-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
12-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
18-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
24-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
36-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
48-month	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

Other Dollar Values

	Per \$	Per £	Per DM	Per FF	Per Yen	Per Sc	Per Sw	Per DK	Per Other
Australian	0.9999	0.72	1.377	0.334	0.114	—	—	—	—
Belgian	20.36	0.48	0.35	0.027	0.003	—	—	—	—
British	0.69	1.00	—	—	—	—	—	—	—
Canadian	0.71	—	—	—	—	—	—	—	—
French	16.66	—	—	1.00	—	—	—	—	—
German	1.93	—	—	—	—	—	—	—	—
Italian	136.3	—	—	—	—	—	—	—	—
Japanese	109.4	—	—	—	1.00	—	—	—	—
Spanish	166.6	—	—	—	—	—	—	—	—
Swedish	8.48	—	—	—	—	—	—	—	—
Swiss	1.48	—	—	—	—	—	—	—	—
Thai	54.8	—	—	—	—	—	—	—	—
U.S.	1.00	—	—	—	—	—	—	—	—
West German	1.93	—	—	—	—	—	—	—	—
Yen	109.4	—	—	—	1.00	—	—	—	—
Other	—	—	—	—	—	—	—	—	—

Forward Rates

	30-day	60-day	90-day	180-day	360-day	540-day	720-day	900-day	1080-day
1-month	1.111	1.099	1.086	1.073	1.060	1.047	1.034	1.021	1.008
3-month	1.111	1.099	1.086	1.073	1.060	1.047	1.034	1.021	1.008
6-month	1.111	1.099	1.086	1.073	1.060	1.047	1.034	1.021	1.008
9-month	1.111	1.099	1.086	1.073	1.060	1.047	1.034	1.021	1.008
12-month	1.111	1.099	1.086	1.073	1.060	1.047	1.034	1.021	1.008
18-month	1.111	1.099	1.086	1.073	1.060	1.047	1.034	1.021	1.008
24-month	1.111	1.099	1.086	1.073	1.060	1.047	1.034	1.021	1.008
36-month	1.111	1.099	1.086	1.073	1.060	1.047	1.034	1.021	1.008
48-month	1.111	1.099	1.086	1.073	1.060	1.047	1.034	1.021	1.008

Source: ING Bank (Amsterdam); KBC Bank (Brussels); Banca Commerciale Italiana (Milan); Banco de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto).

Source: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Goldman Sachs, Citicorp.

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Global Private Banking

## WEALTH THAT TOOK A LIFETIME TO BUILD SHOULD BE TREATED WITH THE PROPER RESPECT.

At Republic National Bank we believe that hard earned wealth deserves to be nurtured and preserved. And so we run our bank according to one fundamental principle: to protect our clients' capital as we safeguard its purchasing power.

It is a simple principle upon which we base our brand of financial conservatism: private banking built upon rigor, discipline and prudence.

This sophisticated conservatism, vigorously pursued, has created a global private bank of exceptional stability, capable of weathering the roughest storms.

Indeed, Republic's capitalization ratio, on a risk adjusted basis, is twice as great as that required by the world's international banking regulators.

To our way of thinking, it is security as well as return that we must ensure each day. And in the process, to provide a unique quality of service, understanding and discretion.

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## EUROPE

Ciba Reports  
A Loss and  
Sets Layoffs

Compiled by Our Staff From Dispatches

ZURICH — Ciba Specialty Chemicals AG said Tuesday it would cut 1,100 jobs and may sell one of its biggest units after it posted a net loss of 791 million Swiss francs (\$525.2 million) for the first six months of the year.

Ciba said the loss resulted from special charges, "primarily an accounting write-off of 1 billion francs, associated with the acquisition of Allied Colloids in March 1998." The company posted net profit of 172 million Swiss francs in the first half of 1997.

Operating income — profit before restructuring charges and research and development — rose 3 percent in the half, to 490 million francs, the company said. Sales rose 9 percent, to 4.29 billion francs.

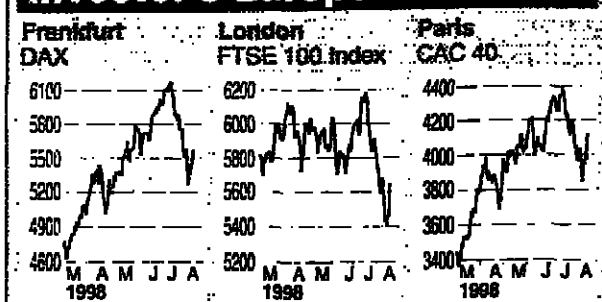
To improve earnings, Ciba plans to cut 5 percent of its workforce and may sell its polymers unit. But the company said it would create a new colors division as the \$100 billion specialty chemicals industry consolidates. Ciba this year bought Allied Colloids Group PLC, a maker of water-treatment chemicals, for 3.6 billion Swiss francs.

"The difficult market conditions in Asia affected sales of all divisions," the company said, adding that sales to Asia would decline by 10 percent to 15 percent for the full year.

Eugen Melliger, a fund manager with Credit Suisse Asset Management, said: "Specialty-chemicals companies remain interesting because they will continue to cut costs. Still, the sword of Damocles of Asia is hanging over them."

Ciba shares fell 25 centimes to 168 Swiss francs on Tuesday. (Bloomberg, Bridge News)

## Investor's Europe



Exchange	Index	Yesterday	Change
Amsterdam	AEX	1,184.97	+1.80
Brussels	BEL-20	3,441.57	+3.00
Frankfurt	DAX	5,588.88	+42.01
Copenhagen	Stock Market	688.57	+3.04
Helsinki	HEX General	4,996.46	+3.54
Oslo	OBX	591.21	+1.81
London	FTSE 100	5,648.20	+3.31
Madrid	Stock Exchange	804.87	+1.80
Milan	MBTEL	2,815.8	+2.13
Paris	CAC 40	4,123.25	+3.50
Stockholm	SX 16	5,126.66	+4.67
Vienna	ATX	1,568.26	+1.96
Zurich	SPI	4,887.02	+42.32

## Very briefly:

- Friends' Provident Life Office, a major British mutual insurer, will buy London & Manchester Group PLC for £744 million (\$1.2 billion). The deal would combine Friends' Provident's £25 billion of assets with London & Manchester's £5 billion.
- Eurostat, the European Union's statistics office, said the jobless rate in the 11 countries scheduled to launch Europe's common currency, the euro, declined to 11.2 percent in June from 11.3 percent in April. Overall unemployment in the 15-nation European Union fell to 10.1 percent in June from 10.2 percent in May. The statistics office said 17 million people were unemployed in the EU at the end of June.
- Ukraine's central bank raised a key interest rate by 10 percent in response to the financial turmoil in neighboring Russia that is putting pressure on the Ukrainian currency. The increase brought the lombard rate to 92 percent from 82 percent.
- Bertelsmann AG denied a report that its CLT-Ufa television and radio broadcasting unit is interested in buying some or all of CBS Corp., the U.S. broadcaster. Under U.S. law, Bertelsmann, as a foreign company, would not be able to own more than a 20 percent stake in a U.S. broadcaster.
- Britain's public sector showed a surplus of £5.36 billion in July from a deficit of £6.11 billion in June.
- Italy's Audit Court criticized the Communications Ministry over the sale of the telephone company Telecom Italia SpA to private investors and for overall bad management of its resources.
- Elf Aquitaine SA, France's largest oil company, and Texaco Inc., the third-largest U.S. oil company, won European Union approval for a joint venture to produce antifreeze and engine coolants in Belgium. (Bloomberg, AP, AFP)

## Devaluation Undercuts a Russian's Dream

By Michael Wines  
New York Times Service

MOSCOW — The de facto devaluation of the ruble and the devaluation of government debt on Monday is supposed to save the Russian government from financial ruin.

Then there is Valeria Yan, who is not going to be let off so easily.

Two years ago, Ms. Yan set a goal: to raise \$24,000 so she and her husband could buy a two-room apartment for themselves and their 10-year-old son who they share away from the tiny one they share with two parents.

She gave up teaching for a dull but more lucrative job, routing telephone calls for a paging service for \$300 a month.

Her husband, a welder, seldom actually gets his salary these days, but they managed nevertheless to put away several thousand dollars' worth of rubles.

Monday afternoon Mrs. Yan was going to the currency shops that glut Moscow's Arbat, converting her rubles into Deutsche marks at a rate

that only hours before had seemed exorbitant.

By her calculations, the family nest egg bought one-third fewer marks than it would have Monday morning, before devaluation was announced. "I'm simply in shock," she said. "I'm doing this because I don't know what's going to happen to my money."

In one sense, the answer is simple: Ms. Yan's rubles, along with everyone else's, will buy a lot less from now on.

The harder questions, however, are where the value of the ruble will eventually settle, and who will be most hurt by the change.

The government offered no hint in its announcement Monday, so millions of Russians are wrestling with the same dilemma: whether to convert their rubles into a stable currency — and suffer a big and immediate loss — or hold onto them and risk losing even more to devaluation and inflation.

Economists said there was no way to predict how many rubles would buy a dollar in six months —

or in six weeks. Even controlled devaluations like the ones announced here can easily spiral down, out of control.

Whatever the price, Russian consumers could suffer most broadly because devaluation raises the prices of imports — and in Russia, about 50 percent of consumer goods and services are imported.

The share of imports has risen swiftly in everyday commodities like food, automobiles and household goods, where the availability of better-quality Western products has been among the few widely enjoyed benefits of capitalism — and one that may now diminish.

Some experts are already calculating that the banking and currency problems spell the end of a construction and business boom that has changed the Moscow skyline and created thousands of high-paying jobs.

"The average Russian hasn't felt it up till now," said Jesse Loebe, a trader in the Moscow office of Regent European Securities.

"You're starting to see a major

effect of shrinking Asian economies and depreciation of the Russian ruble will be limited, he added.

The 11 economies switching to the euro in January expanded 0.7 percent in the first quarter, revised figures from the European Union's statistics office showed Monday.

Growth was driven by a 2.1 percent increase in private and equipment investment and a 0.7 percent rise in consumer spending.

Slowing export growth in the German economy, which accounts for a third of total economic output in the monetary union area, was highlighted in a narrowing trade surplus in June. (Bloomberg, Reuters)

## Bundesbank Hints at Rate Rise in Course of '98

Compiled by Our Staff From Dispatches

FRANKFURT — The economic recovery in the 11-nation European single-currency region is gaining in pace and breadth, the Bundesbank said Tuesday, while hinting it may raise rates at least once before the end of the year.

A rate increase this year would not affect the economies in the single-currency region for one to two years, the German central bank said in its monthly report.

The comments confirmed expectations that Germany, France, Belgium, Austria and Netherlands may lift rates to slow inflation and ensure a smooth transition to a single euro interest rate for all member states.

"They are definitely keeping the door open for a rate increase later this year," said Stefan Berghem, an economist at Merrill Lynch & Co.

The euro is expected to start Jan. 1 with short-term rates of 3.5 percent to 3.7 percent, according to expectations reflected in interest-rate futures. The benchmark German short-term rate is 3.3 percent, while in Italy, it is at 5 percent.

The Bundesbank said money supply growth in euro member countries was accelerating and would be watched closely in coming months.

"In the fourth quarter, the Bundesbank will start thinking in European terms and will increase the repo rate by 30 basis points," said Michael Schubert of Commerzbank in Frankfurt.

The money supply growth in the euro-land exceeds German levels and therefore I see a slightly higher rate level for the euro-land as appropriate."

Two days before its policy-making council reconvenes on Thursday, the bank issued its August

monthly report, which singled out Italy, Ireland and France as economies whose money supply was growing at a faster pace.

The Bundesbank also said the recovery in the 11 euro member countries had continued briefly since the beginning of 1998 as strengthening domestic demand offset a slight decline in export growth.

But it added that price stability had largely been reached in the eurozone.

Germany, Europe's biggest economy, will expand 2.9 percent this year and by between 3.0 percent and 3.1 percent in 1999, Economics Minister Guenter Rexrodt said. The

effect of shrinking Asian economies and depreciation of the Russian ruble will be limited, he added.

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## VW Says It Will Wait for Shump to Buy Truckmaker but Will Develop Vehicles Itself

Bloomberg News

WOLFSBURG, Germany — Volkswagen AG, the largest carmaker in Europe, says it is waiting for the next slowdown in the industry to buy a heavy truck company and also plans to develop its

own brand by 2010.

"We will expand into the heavy truck market, independent of whether we buy or form cooperations with another company," said Ferdinand Piech, chief executive of VW, in an interview with the German monthly

Capital. VW said it had considered Scania AB and Volvo AB as well as the truck division of Renault SA, though takeover speculation combined with a pickup in demand has driven up their potential sale prices. The truck unit of MAN AG of Ger-

many, another reported candidate, has consistently denied that it is for sale.

"I can wait for the next downturn," said Mr. Piech, who had said earlier that VW was interested in expanding into heavy trucks.

## WORLD STOCK MARKETS

Tuesday, Aug. 18

Daily prices in local currencies.

Tel Aviv

High Low Close Prev.

Amsterdam

AEX Index: 1184.97

Previous: 1183.17

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Frankfurt

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Previous: 6714.43

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12 Month	High	Low	Stock	Dir	Yld	PE	100% High	Low/Latest	Chg
34	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
35	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
36	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
37	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
38	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
39	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
40	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
41	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
42	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
43	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
44	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
45	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
46	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
47	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
48	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
49	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
50	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
51	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
52	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
53	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
54	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
55	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
56	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
57	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
58	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
59	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
60	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
61	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
62	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
63	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
64	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
65	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
66	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
67	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
68	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
69	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
70	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
71	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
72	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
73	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
74	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00
75	20.00	19.00	Alcoa	100	4.00	15.00	20.00	19.00	0.00

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12 Month High Low	Stock	Div Yld	PE	52 Wk High	Low	Last Close	Change
49 1/4	Delta		24	240	190	200	0
50 1/4	Delta		24	240	190	200	0
51 1/4	Delta		24	240	190	200	0
52 1/4	Delta		24	240	190	200	0
53 1/4	Delta		24	240	190	200	0
54 1/4	Delta		24	240	190	200	0
55 1/4	Delta		24	240	190	200	0
56 1/4	Delta		24	240	190	200	0
57 1/4	Delta		24	240	190	200	0
58 1/4	Delta		24	240	190	200	0
59 1/4	Delta		24	240	190	200	0
60 1/4	Delta		24	240	190	200	0
61 1/4	Delta		24	240	190	200	0
62 1/4	Delta		24	240	190	200	0
63 1/4	Delta		24	240	190	200	0
64 1/4	Delta		24	240	190	200	0
65 1/4	Delta		24	240	190	200	0
66 1/4	Delta		24	240	190	200	0
67 1/4	Delta		24	240	190	200	0
68 1/4	Delta		24	240	190	200	0
69 1/4	Delta		24	240	190	200	0
70 1/4	Delta		24	240	190	200	0
71 1/4	Delta		24	240	190	200	0
72 1/4	Delta		24	240	190	200	0
73 1/4	Delta		24	240	190	200	0
74 1/4	Delta		24	240	190	200	0
75 1/4	Delta		24	240	190	200	0
76 1/4	Delta		24	240	190	200	0
77 1/4	Delta		24	240	190	200	0
78 1/4	Delta		24	240	190	200	0
79 1/4	Delta		24	240	190	200	0
80 1/4	Delta		24	240	190	200	0
81 1/4	Delta		24	240	190	200	0
82 1/4	Delta		24	240	190	200	0
83 1/4	Delta		24	240	190	200	0
84 1/4	Delta		24	240	190	200	0
85 1/4	Delta		24	240	190	200	0
86 1/4	Delta		24	240	190	200	0
87 1/4	Delta		24	240	190	200	0
88 1/4	Delta		24	240	190	200	0
89 1/4	Delta		24	240	190	200	0
90 1/4	Delta		24	240	190	200	0
91 1/4	Delta		24	240	190	200	0
92 1/4	Delta		24	240	190	200	0
93 1/4	Delta		24	240	190	200	0
94 1/4	Delta		24	240	190	200	0
95 1/4	Delta		24	240	190	200	0
96 1/4	Delta		24	240	190	200	0
97 1/4	Delta		24	240	190	200	0
98 1/4	Delta		24	240	190	200	0
99 1/4	Delta		24	240	190	200	0
100 1/4	Delta		24	240	190	200	0

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姓名	性别	年龄	籍贯	职业	住址	备注
王德胜	男	45	山东	农民	山东烟台	
李德胜	男	35	河北	工人	河北保定	
张德胜	男	25	河南	学生	河南郑州	
赵德胜	男	15	江苏	儿童	江苏南京	
刘德胜	男	55	浙江	商人	浙江杭州	
陈德胜	男	40	安徽	教师	安徽合肥	
周德胜	男	30	江西	医生	江西九江	
吴德胜	男	20	福建	学生	福建福州	
孙德胜	男	10	广东	儿童	广东广州	
郑德胜	男	50	广西	工人	广西柳州	
冯德胜	男	40	湖南	农民	湖南长沙	
马德胜	男	30	湖北	工人	湖北武汉	
朱德胜	男	20	四川	学生	四川成都	
胡德胜	男	10	云南	儿童	云南昆明	
李德胜	男	50	贵州	工人	贵州贵阳	
张德胜	男	40	陕西	农民	陕西西安	
赵德胜	男	30	甘肃	工人	甘肃兰州	
刘德胜	男	20	宁夏	学生	宁夏银川	
陈德胜	男	10	青海	儿童	青海西宁	
周德胜	男	50	新疆	工人	新疆乌鲁木齐	
吴德胜	男	40	内蒙古	农民	内蒙古呼和浩特	
孙德胜	男	30	吉林	工人	吉林长春	
郑德胜	男	20	辽宁	学生	辽宁沈阳	
冯德胜	男	10	黑龙江	儿童	黑龙江哈尔滨	
马德胜	男	50	河北	工人	河北石家庄	
朱德胜	男	40	山东	农民	山东济南	
胡德胜	男	30	河南	工人	河南郑州	
李德胜	男	20	江苏	学生	江苏南京	
张德胜	男	10	浙江	儿童	浙江杭州	
赵德胜	男	50	安徽	工人	安徽合肥	
刘德胜	男	40	江西	农民	江西九江	
陈德胜	男	30	福建	工人	福建福州	
周德胜	男	20	广东	学生	广东广州	
吴德胜	男	10	广西	儿童	广西柳州	
孙德胜	男	50	湖南	工人	湖南长沙	
郑德胜	男	40	湖北	农民	湖北武汉	
冯德胜	男	30	四川	工人	四川成都	
马德胜	男	20	云南	学生	云南昆明	
朱德胜	男	10	贵州	儿童	贵州贵阳	
胡德胜	男	50	陕西	工人	陕西西安	
李德胜	男	40	甘肃	农民	甘肃兰州	
张德胜	男	30	宁夏	工人	宁夏银川	
赵德胜	男	20	青海	学生	青海西宁	
刘德胜	男	10	新疆	儿童	新疆乌鲁木齐	
陈德胜	男	50	内蒙古	工人	内蒙古呼和浩特	
周德胜	男	40	吉林	农民	吉林长春	
吴德胜	男	30	辽宁	工人	辽宁沈阳	
孙德胜	男	20	黑龙江	学生	黑龙江哈尔滨	
郑德胜	男	10	河北	儿童	河北石家庄	
冯德胜	男	50	山东	工人	山东济南	
马德胜	男	40	河南	农民	河南郑州	
朱德胜	男	30	江苏	工人	江苏南京	
胡德胜	男	20	浙江	学生	浙江杭州	
李德胜	男	10	安徽	儿童	安徽合肥	
张德胜	男	50	江西	工人	江西九江	
赵德胜	男	40	福建	农民	福建福州	
刘德胜	男	30	广东	工人	广东广州	
陈德胜	男	20	广西	学生	广西柳州	
周德胜	男	10	湖南	儿童	湖南长沙	
吴德胜	男	50	湖北	工人	湖北武汉	
孙德胜	男	40	四川	农民	四川成都	
郑德胜	男	30	云南	工人	云南昆明	
冯德胜	男	20	贵州	学生	贵州贵阳	
马德胜	男	10	陕西	儿童	陕西西安	
朱德胜	男	50	甘肃	工人	甘肃兰州	
胡德胜	男	40	宁夏	农民	宁夏银川	
李德胜	男	30	青海	工人	青海西宁	
张德胜	男	20	新疆	学生	新疆乌鲁木齐	
赵德胜	男	10	内蒙古	儿童	内蒙古呼和浩特	
刘德胜	男					

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## ASIA/PACIFIC

## Indonesia Set to Restructure 6 Debt-Ridden Banks

By Michael Richardson  
International Herald Tribune

JAKARTA — The government is expected to announce restructuring plans Friday for six of the nation's biggest and most troubled banks in a move to revive confidence in Indonesia's crippled banking sector.

The six banks owe much of the 146 trillion rupiah (\$11.34 billion) in loans made by the central bank over the past year to shore up the financial system as panicky depositors withdrew their funds out of fear that the banks, some of which were connected with the ousted regime of President Suharto, would be closed or collapse.

In a separate move to restore banking services in an economy where trade and business have been severely curtailed by lack of credit, the central bank, Bank Indonesia, is working with foreign auditors to give more than a dozen private banks a "seal of financial health," officials said Tuesday.

The aim is to establish their fi-

ancial credentials and help them regain access to trade finance and lines of credit from foreign banks. Since January, letters of credit issued by Indonesian banks have not been accepted abroad because of worries about bad loans and bad management in the country's banking system.

Officials said that the restructuring of six of the largest and most heavily indebted banks was part of a plan to clean up the financial system and substantially reduce the number of banks through closures and mergers.

But the scale of bad debts in the banking system, the shortage of domestic funds caused by Indonesia's deepening recession, and the reported reluctance of foreign investors to join any recapitalization plan for the banks raise major questions about who will foot the bill and where the money will come from.

Deborah Schuler, a vice president and senior financial analyst in the

Hong Kong office of Moody's Investors Service Inc., the American rating company, said that the cost of recapitalizing the banks could amount to 200 trillion rupiah — more than the government's entire

Bank Indonesia has now been estimated to control about 70 percent of the assets in the overall banking system after providing more liquidity credits to banks than they can afford to repay.

A statement on the fate of the six banks, which are being run by the Indonesian Bank Restructuring Agency, is likely on Friday, Bridge News reported from Hong Kong, quoting a spokesman for a firm representing the agency.

The six banks are Bank Dagang Nasional Indonesia, Bank Danamon, Bank Unum Nasional, Bank PDPCI, Bank Tiara and Bank Modern.

The agency was set up by the government in January to take management control of weak banks, close those that are insolvent and rehabilitate the remainder. It currently has 67 banks under its care.

Restructuring the banking sector is one of the major points in a reform program promised by Jakarta in re-

turn for more than \$40 billion in emergency loans from the International Monetary Fund to help the country through its economic crisis.

In his first state-of-the-nation address on Saturday, President B.J. Habibie said that one of his top priorities was to restore confidence in the battered banking system.

Analysts said that although international auditors had found the six banks to be insolvent, the government was reluctant to close them for fear of causing further bank runs.

J. Soedradjat Djihadono, a former Bank Indonesia governor, said recently that the closure of 16 insolvent banks in November had worsened the crisis in the banking sector. "The domestic reaction to the closure of the banks ran contrary to expectations," he said. "Ironically, a step taken to bring back confidence in the banking sector plunged it into further chaos and resulted in a massive flight of capital out of their coffers."

## Major questions are raised about who will foot the bill and where the money will come from.

annual budget of 132 trillion rupiah for the year to April 1998, and nearly one-third of Indonesia's 1997 gross domestic product of 624 trillion rupiah.

The World Bank has estimated that the cost of resolving Indonesia's banking crisis could reach 20 percent to 30 percent of gross domestic product or even higher.

Equity and assets at banks are being wiped out by loan defaults that some analysts estimate will rise as high as 75 percent of total loans by the end of 1998.

Investor's Asia				
Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225		
12000	1700	17200		
10000	1500	16000		
8000	1400	15000		
6000	1300	14000		
4000	1200	13000		
2000	1100	12000		
0	1000	11000		
1998	1998	1998		
Exchange Index	Tuesday Close	Monday Close	% Change	
Hong Kong Hang Seng	7,210.82	7,224.63	-0.19	
Singapore Straits Times	927.62	945.45	-1.89	
Sydney All Ordinaries	2,565.59	2,536.80	+1.13	
Tokyo Nikkei 225	15,062.79	14,794.96	+1.82	
Kuala Lumpur Composite	315.58	318.26	-0.85	
Bangkok SET	235.88	235.24	+0.27	
Seoul Composite Index	291.15	301.82	-3.54	
Taipei Stock Market Index	7,181.59	7,273.85	-1.27	
Manila PSE	1,323.17	1,335.71	-0.94	
Jakarta Composite Index	483.86	414.53	+2.61	
Wellington NZSE-40	1,928.45	1,937.97	-0.49	
Bombay Sensitive Index	2,567.93	2,517.07	+1.95	

## Very briefly:

• Motorola Inc. plans to sell two Singapore plants that make printed circuit boards to WUS Printed Circuit Co. of Taiwan for an undisclosed price. WUS said the two plants had \$51.8 million in sales in financial 1997.

• Telecom Corp. of New Zealand Ltd. said profit in the quarter that ended June 30 rose 1.1 percent from a year earlier, to 190.1 New Zealand dollars (\$95.2 million), as mobile-phone and enhanced-network services showed gains.

• Toshiba Corp. and Hitachi Ltd. of Japan plan to join forces with General Electric Co. of the United States to develop, build and market nuclear power plants, the Kyodo news agency reported. No officials at the companies were immediately available to confirm the report.

• TDK Corp. said pretax profit for the quarter ended June 30 rose 3.1 percent from a year earlier, to 22.5 billion yen (\$154.2 million), as sales increases in Europe and the Americas offset a decline in Japan.

• Long-Term Credit Bank of Japan Ltd. denied a report by Jiji Press that it would write off 255.6 billion yen (\$1.75 billion) in loans to a troubled affiliate, Japan Leasing Corp.

• PT Indocement Tungal Praksara, one of three big cement companies in Indonesia, said it was looking for foreign partners to increase its exports and strengthen the company's financial position.

• Korea Telecom Corp. plans to spend \$198.7 million to launch a satellite for television service next August, replacing two previous satellites. The new satellite is being designed and manufactured by Lockheed Martin Corp.

• Keppel Bank Ltd. of Singapore said first-half profit fell 41 percent, to 29 million Singapore dollars (\$16.5 million) as it lifted provisions for bad loans in Asia.

• China's total number of mobile-phone subscribers has doubled in the last 13 months to more than 20 million, the official Xinhua news agency said.

• Toyota Motor Corp. and Nissan Motor Co. said they had made payments to the same alleged corporate racketeers who have been arrested on suspicion of extorting money from Japan Air Lines Co. under the guise of receiving payments for potted plants.

## LABOR: Targeting Tourism

Continued from Page 11

ated thousands of jobs, few pay well. Industry experts estimate that at a New Orleans hotel with 1,000 rooms and 700 employees, the manager might earn \$120,000 to \$150,000 a year, the five assistant managers \$80,000 and the 50 or so supervisors \$30,000 to \$45,000. But the vast majority — the housekeepers, waiters and kitchen prep workers — earn less than \$15,000 a year.

"It's an industry where 5 percent of the people are chiefs and 90-95 percent are Indians," said Stanley Turkel, a hotel industry consultant. Union leaders argue that the city's hotels can afford to pay more because the average room rate is \$104.96 per night, according to the Smith Travel Service — is by far the highest in the South and the fifth highest in the nation, higher than the rates in Chicago, Miami and Washington.

At the same time, housekeepers in New Orleans hotels are paid less than \$6 an hour on average, which is less

than in any major city, according to the Bureau of Labor Statistics. The Reverend James Orange, a Baptist minister who marched in Memphis with Mr. King and is working in the New Orleans campaign, said the inequities were both economic and racial. The work force, he noted, is overwhelmingly black and Hispanic, while the managers are overwhelmingly white.

"The workers I saw in Memphis in 1968 were better off than the workers I see here in 1998," Mr. Orange said.

Several hotel managers criticized the unionization effort and defended their pay scales, saying they were high enough to attract housekeepers and other workers.

Paul Toomey, manager of the 1,100-room Sheraton, which has a reputation for above-average pay, said, "We certainly want to make sure that employees get everything they need in working conditions and competitive pay. But we'd prefer not to have a third party between us."

At the same time, housekeepers in New Orleans hotels are paid less than \$6 an hour on average, which is less

## Police and Strikers Ready For Showdown at Hyundai

By Don Kirk  
International Herald Tribune

ULSAN, South Korea — Police and unionized employees of Hyundai Motor Co. hardened their stances Tuesday as the strike that has halted production at South Korea's largest automaker moved into its fifth week.

Thousands of policemen, armed with tear gas, shields and helmets, moved in tight formations along the street running by the high walls of the main Hyundai Motor plant in Ulsan.

Inside the gate, rows of workers, armed with steel pipes and fire extinguishers for combating tear gas, were getting in position for another severe showdown in the troubled history of union defiance of the Hyundai group, Korea's largest chaebol, or conglomerate.

"Fight to Secure Jobs," said the headbands worn by more than 5,000 workers as well as several hundred wives and children who have managed to prevent the plant from producing a single vehicle since July 13.

The fighting mood intensified into the evening Tuesday as police commanders barked orders to their

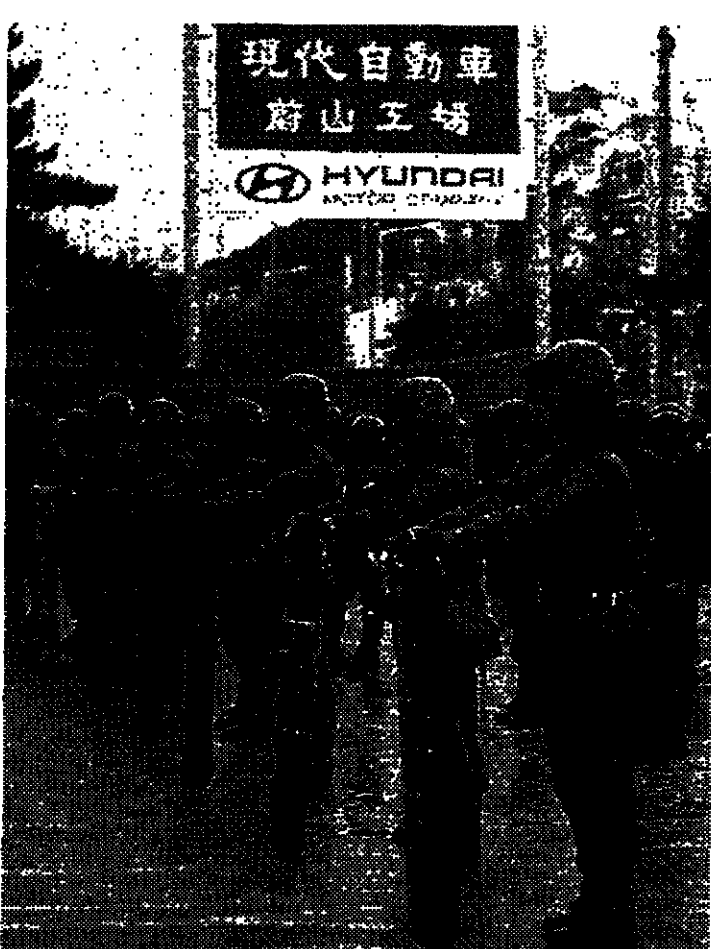
men and union members banged their steel pipes onto the pavement of the compound just 100 meters away. The showdown represented the failure of frantic government efforts at bringing management and union to terms.

"Both sides have to think seriously," said Labor Minister Lee Ki Ho after futile talks between the chairman of Hyundai Motor and the leader of the union. "Both have not changed their position."

At stake is the question of whether companies can lay off workers in accordance with requirements set by the International Monetary Fund in piecing together a loan package of nearly \$60 billion last December.

While hundreds of small and medium-size enterprises have gone out of business this year, forcing hundreds of thousands of people out of jobs, only Hyundai Motor, trimming down a payroll of 46,000 workers, has laid anyone off.

"Everyone is watching to see whether Hyundai Motor can do it," said Hwang Lim, a manager at Hyundai Heavy Industries, the shipbuilding giant. "If Hyundai Motor can do it, others will also. If Hyundai Motor fails, then others will not take the chance."



South Korea riot police guarding the entrance to Hyundai Motor in Ulsan on Tuesday where a strike has entered its fifth week.

## Japan Names Panel to Advise on Crisis

The Associated Press

TOKYO — The Japanese government named 10 business leaders and scholars on Tuesday to advise the government on how to revive the sagging economy.

The group, called the Strategic Economic Council, was asked to come up with a plan by the end of December for pulling Japan out of recession.

Business executives appointed to the council included Hiroshi Okada, president of Toyota Motor Corp.,

Japan's most profitable company, and Hiroto Higuchi, chairman of Asahi Breweries Ltd.

The government of Prime Minister Keizo Obuchi has been under pressure at home and abroad to do more to boost economic growth. Mr. Obuchi has promised to cut taxes and increase spending on public projects to spur economic growth.

Japan's economy shrank 0.7 percent in the fiscal year ending in March, the first full year of eco-

nomic contraction since 1974.

The other businessmen chosen for the economic council were Masataka Ide, chairman of West Japan Railway Co., Toshifumi Suzuki, president of the retailer Ito-Yokado Co., Chiyo Terada, president of the moving company Art Corp., and Minoru Mori, president of the property developer Mori Building Co.

The four scholars were Motohiko Ito, professor at the University of Tokyo, Sawako Takeuchi, assistant professor at the same university, Heizo Takenaka, professor at Keio University, and Iwao Nakatani, professor at Hitotsubashi University.

The council is to hold its first meeting at the end of the month.

## A Promise of Intervention

Finance Minister Kiuchi Miyazawa said Japan would intervene to prevent the yen from falling further against the dollar "if needed," AFP News reported from Tokyo.

Asked after a cabinet meeting if there was the possibility that Japan would act to protect the yen from sharp falls against the dollar, Mr. Miyazawa said there was "always" this possibility.

## India Rupee Dips On Ruble Fears

Bloomberg News

NEW DELHI — The Indian rupee fell to a record low on Tuesday after Finance Minister Yashwant Sinha expressed concern that the devaluation of the Russian ruble might hurt India's trade with that country.

The dollar was quoted at 43.36 rupees on Tuesday, up from 43.17 rupees Monday. The dollar had risen as high as 43.38 rupees.

Mr. Sinha said Monday that Russia was an important trading partner and the devaluation could dampen India's exports and imports, the Economic Times reported. The finance minister said he was also concerned that China might devalue the yuan.

There was worry that the flow of dollars to India from Russia would be slowed as Moscow stopped payment of loans for a period of 90 days, analysts said. This is expected to hurt outstanding payments to Indian companies that export products to Russia, analysts said.

## RUBLE: Russia's Devalued Currency Tumbles Swiftly

Continued from Page 1

The Russian stock market continued its long downward slide. The main Russian Trading System index fell 9 percent, to 99.58 on extremely limited trading.

The Moscow-based financial community was anxiously awaiting an expected announcement on Wednesday of the government's plans for rescheduling and restructuring its domestic debt in bonds known as GKOs, a key component of the package announced Monday.

About three-quarters of the outstanding bonds are going to be converted to new securities as the government seeks to give itself some breathing room.

After the dramatic ruble announcements, President Boris Yeltsin retreated to his suburban Moscow residence. His rivals in the lower house of Parliament, the Duma, sought to take advantage of the uncertainty touched off by devaluation and Mr. Yeltsin's conflicting statements.

The president had promised as recently as Friday that there would be no devaluation. On Tuesday, some critics warned that Mr. Yeltsin had badly hurt his credibility.

Gennadi Zyuganov, the head of the Communists, the largest bloc in

the Duma, told reporters: "Our president has been totally devalued."

"The country has dramatically depreciated, in the ratings we are in the bottom 10, as the least stable and reliable state," Mr. Zyuganov added, again calling for Mr. Yeltsin's impeachment.

The Communist leader threatened major demonstrations this fall, but vows of such protests have failed to materialize in the past.

Russian officials said they were aware of the danger of reigniting inflation after the ruble had been allowed to float.

Boris Nemtsov, a deputy prime minister, told journalists: "We do not intend to undermine the ruble. The government will not print money. We know full well that a downfall of the ruble would ruin people."

## Yeltsin Drops a Top Aide

President Yeltsin dismissed his top economic adviser, Alexander Livshits, on Tuesday, Reuters reported from Moscow.

"He has been relieved of his duties in connection with his transfer to other responsibilities," a Kremlin spokesman said.

Mr. Livshits offered his resigna-

tion after the devaluation.

The Interfax news agency, quoting a senior presidential source, said Mr. Yeltsin refused to accept resignation offers from Prime Minister Sergei Kiriyenko and the head of the central bank, Sergei Dubinin.

Russia's announcement of what was in effect a devaluation of the ruble was an abrupt reversal of policy, intended to restore confidence in the faltering economy.

Moscow also halted some foreign debt repayments for a period of 90 days.

Mr. Livshits, a 51-year-old economist, had served in a variety of positions in the government in recent years, including posts as a deputy prime minister and finance minister.

"For six years I have worked with the president," Interfax quoted Mr. Livshits as saying after submitting his resignation.

"I did everything for Russia I could. I probably share responsibility for what has been happening on the financial markets. I could not protect the president and so I am stepping down."

Mr. Yeltsin named the tax collection chief, Boris Fyodorov, as a deputy prime minister responsible for macroeconomics and management of the state debt.

## BOWES: Firm Adapts to E-Mail Age

Continued from Page 11

"Of course we see managing mail rooms as a good opportunity," said Thomas Dolan, president of Xerox Business Services, Xerox's \$2 billion outsourcing arm. "Pitney wants to get into documents, we want to get into mail, so the competition is going to be intense."

That threat has not stopped numerous analysts from posting strong buys on Pitney's stock. Small wonder: Pitney has had 14 consecutive quarters of earnings increases. That, combined with a hefty stock buy-back program and a two-for-one stock split last year, has pushed its market capitalization, which was just \$7 billion in 1996, to \$15 billion and growing.

For now, mail is still a thriving business. "Sure, interest in the Internet is growing, but even America Online still sells its services primarily by mail," Robert Reiser, the Postal Service's vice president for strategic planning, said.

Companies continue to funnel advertising away from television and print media into direct mail, often using mailing lists they pried from the Internet.

"The Internet, despite e-mail, has resulted in substantially more mail, not less," said Alexander Henderson, an analyst with Prudential Securities Research.

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**WORLD ROUNDUP**

**Battle Over Coach**

**SOCCER** Marcelo Bielsa has accepted an offer to take over as Argentina's new national coach, but his Spanish club Espanyol said Tuesday that it will not let him go. "Marcelo is the club's coach, and although he wants to be the Argentine coach, for our part we aren't interested in a deal because the club needs him," said Daniel Sanchez Llibre, the Espanyol club president. (Reuters)

Robert Jarni, a Croatian international, has signed a three-year contract with Real Madrid, rejecting an offer to join the English Premier League's Coventry City. Jarni's former club Real Betis of Seville had agreed to sell him to Coventry, which says it also signed a contract with the player. Jarni says he wants to stay in Spain for family reasons.

Real Madrid said it had agreed to pay 800 million pesetas (\$53 million) for Jarni, but it is unclear whether it will pay Betis or Coventry. (AP)

**Pouget Banned for Drugs**

**SOCCER** Cyrille Pouget, a striker with Le Havre in the French first division, was banned for taking for six months Tuesday for soccer for anabolic steroids.

Traces of the steroid nandrolone were found in a sample given by Pouget after a match last September.

Pouget has played three times for the French national team. (AP)

**Big Contract for Alstott**

**FOOTBALL** Mike Alstott became the National Football League's highest-paid fullback when he signed a five-year contract extension with the Tampa Bay Buccaneers worth up to \$32 million. (AP)

**Tyson Hearing Date Set**

**BOXING** Mike Tyson will have a hearing before the Nevada Athletic Commission on Sept. 9 in his attempt to regain his boxing license. Tyson's license was revoked by the commission and he was fined \$3 million for biting Evander Holyfield's ears during a heavyweight title fight in June 1997. (AP)

**Polish Gold Medalists Die**

Two Polish Olympic gold medalists were killed in a car crash, according to reports Tuesday.

Wladyslaw Komar, who won the shot put gold at Munich in 1972, and Tadeusz Susarski, the pole vault gold medalist in Montreal in 1976 and silver medalist in Moscow in 1980, died when their vehicle collided head-on with another car late Monday in a rural area, said the PAP state news agency. (AP)

**England Reaches Final**

**CRICKET** South Africa won the battle but lost the war Tuesday, beating England in Birmingham but failing to reach the final of the triangular one-day tournament.

The visitors made 243 and then bowled England out for 230. But England qualified for the final on run rate. England had beaten Sri Lanka, and Sri Lanka had beaten South Africa. All three teams ended with one victory and one defeat, but England and Sri Lanka will meet in the final because they scored runs faster than South Africa.

Par Symcox, who hit 51 off 39 balls and took two English wickets for 36 runs in 10 overs, was Man of the Match. (AFP)

**New England Rolls Over Cowboys, 21-3**

**The Associated Press**

**MEXICO CITY** — New England found its missing offense and maybe a running back, Mexican fans got a glimpse of their hometown hero, Marco Marias, and the Dallas Cowboys continued to sputter.

A crowd of 106,424, the second-largest in National Football League history, saw New England roll over the Cowboys, 21-3, Monday night behind the running of Sedrick Shaw and the passing of Drew Bledsoe.

Dallas dropped its third straight pre-season game following five consecutive losses at the end of 1997.

For New England, the second-year running back Shaw fought for 50 yards on 14 rushes in two quarters and scored touchdowns from 9 and 1 yards out. Another 4-yard touchdown was called back on a penalty.

The Patriots' quarterback, Drew Bledsoe, also seemed to click in the team's new short-drop system, going 9-of-14 for 69 yards.

The Cowboys' biggest cheers went to Marias, a product of the Mexican university league who played the last two seasons for Barcelona in the NFL Europe League.

Coming in with about a minute left, the Mexican receiver caught two balls



Phil Mickelson at Pebble Beach.

**Mickelson Wins Pebble Beach After Epic Rain Delay**

By Clifton Brown  
New York Times Service

**PEBBLE BEACH, California** — It took Phil Mickelson more than six months to win the AT&T Pebble Beach National Pro-Am. But for a \$450,000 first-place check, plus a \$100,000 bonus for being the PGA Tour's top winner on the West Coast this year, it was worth the wait.

Mickelson captured the rain-interrupted Pebble Beach event Monday, more than six months after it started. The tournament, shortened to 54 holes, was originally scheduled to end Feb. 1, before Mark O'Meara had won a major and long before Monica Lewinsky had appeared before a grand jury.

But when heavy rains washed out play on Feb. 1 and Feb. 2, tournament officials and the PGA Tour took an unusual step. Instead of the tourna-

ment's being canceled, as it was in 1996, play was suspended after 36 holes, and the third round was rescheduled for March 1, the day after the Nissan Open outside Los Angeles.

But it became obvious a few weeks before March 1 that the courses at Pebble Beach, drenched by El Niño, still would not be ready. So the tournament was suspended again until Monday, the day after the PGA Championship in Redmond, Washington, allowing players to fly from Seattle to California on Sunday night in time to play Monday.

All of that led to Monday's bizarre scene: players spread out over three courses, no grandstands, no television towers, a gallery not even one-fifth as large as usual.

Yet, for Mickelson it was a great day to play 18. He shot a 5-under-par 67 at Pebble Beach to finish at 14 under par for the tournament, one stroke better

than Tom Pernice, who shot a 67 at Poppy Hills. Jim Furyk, who shot a 68 at Pebble Beach, and J. P. Hayes, who shot a 67 at Poppy Hills, finished tied for third at 12 under.

Mickelson, who won the Mercedes Championships in January, won \$771,450 on the West Coast this year.

"Let me see if I got this right," said Mickelson, who captured his 13th career victory at the age of 28. "Vijay Singh won the PGA yesterday and wins \$540,000, and I just won \$550,000? It's a cool day."

Indeed it was, but at least it wasn't raining. Playing under the same hit, clean and place rules that were in place when the tournament began in January, the competitors were able to give themselves good lies even from the rough.

Of the 166 players eligible to return Monday, 133 came back. Among those who didn't were Tiger Woods, Mark

O'Meara, and Vijay Singh. But for most players, the chance to win a share of the purse was too enticing to turn down.

Mickelson clinched the victory by making a birdie on the par-5 18th hole, hitting a booming drive, then hitting one of the best 2-iron shots of his career, which carried 221 yards to the front of the green. Mickelson 2-putted from there, and the victory helped make up for his disappointing finish at the PGA Championship, where he shot a 78 on Saturday and finished tied for 34th.

"Finishing up a tournament six or seven months later, you have to find your own momentum," said Mickelson. "This should give me something to build on going into the later part of the season."

But the decision to suspend a tournament from winter until summer, caused enough controversy to force the tour to reexamine its weather policy.

**Maris's Sons Recall Stress of Record Chase**  
**He Was Threat to Ruth, Baseball's Icon**

By William Gildea  
Washington Post Service

**GAINESVILLE, Florida** — Two weeks ago, two of Roger Maris's sons met the man who for most of the summer has led the chase after their father's cherished record of 61 home runs in a season.

The Maris mark has stood for 37 years, even longer than Babe Ruth's sacred 60 that had been the most hallowed record in a sport of records. But Maris's 61 never has been threatened as it has been this season by Mark McGwire, Sammy Sosa and Ken Griffey.

The Marises' meeting with McGwire stirred memories both bitter and sweet. As McGwire took batting practice in Atlanta before his St. Louis Cardinals played the Braves, Kevin and Richard Maris observed the horde of media surrounding McGwire and understood what the huge slugger meant recently when he revealed that he felt like "a caged animal" during his pregame cuts.

It was no different from the stress their father experienced in 1961, when even his hair fell out, leaving bald patches in his crew cut. "No one in any sport endured more pressure over a more prolonged period than Roger," Tony Kubek, one of Maris's teammates on the 1961 New York Yankees, said the other day.

Maris, who died of cancer in 1985 at the age of 51, was a plainspoken man from North Dakota who was only 26 when he broke the record of baseball's most mythical figure, Maris was in-tormented and unprepared for the tumult that he unleashed.

Now his sons could see the pressure building on McGwire. They liked him and empathized with him. "A really nice guy, a class guy," Kevin Maris said.

But just the same, the Maris family hopes Roger's record will remain intact.

"Wouldn't you?" said Kevin Maris, 37. "I don't think anybody on Earth would want their record broken. I think anybody who has a record would want to keep it. But whether it's broken this year or next year or in five years or 10 years, we've enjoyed what dad accomplished in baseball."

The family, Kevin said, is not rooting against McGwire or the others; it wouldn't wish ill on anyone. "We're not obsessed," said Kevin, who played one season of Class A baseball and later pro golf on the smaller circuits.

But he usually knows before he goes to bed at night how each of the home-run leaders did. He thought if his father were

alive, he, too, would watch TV at night for the results. "Dad would enjoy it," he said. "He would know what each of them is going through."

But while McGwire, Sosa and Griffey enjoy almost universal support in their quest, many people roared openly against Maris in 1961. Should his record fall — Sosa hit his 47th homer of the season Sunday, tying McGwire for the major-league lead, five ahead of Griffey — baseball officials await the opportunity to call attention to the sport with a celebration rivaling that given the Baltimore Orioles' Cal Ripken in 1995 when he surpassed Lou Gehrig's number of consecutive games played.

But as he pursued Ruth, Maris lugged a burden born of a popular notion that he threatened baseball's biggest icon. Who was Maris to come along and defile the sacrosanct?

The Milwaukee Journal's Oliver Keuchle wrote after Maris hit No. 59: "If the record is to be broken, it should be done by someone of greater baseball stature and greater color and public appeal."

"Maris is colorless," Keuchle wrote. "There just isn't anything deeply heroic about the man."

Within the Maris family, the words still hurt.

Roger Maris Field is a manicured diamond set amid trees on the grounds of a small private high school named Oak Hall. More than 20 years ago, Maris persuaded the Yankees owner George Steinbrenner to contribute \$25,000 toward its construction. Maris put down the sod himself.

Today, Kevin Maris coaches baseball there, "passing on to the younger guys" everything about the sport that he learned from his father.

Roger Maris was buried in his hometown of Fargo, in the snow and numbing cold of a December day. But few players not in baseball's Hall of Fame are remembered as often as Maris, especially during seasons when someone makes a run at his record.

His image, of course, remains ever vivid to his family, which has lived in Florida since the late August Busch, then owner of the Cardinals, gave Maris a beer distributorship on his retirement from baseball in 1968 after two seasons with the team.

"I look back and it's hard to believe that Dad did something no one else in the game did," said Kevin Maris, who looks remarkably like the father with his flat-top and pale blue eyes.

"I remember like it was yesterday — dad laying the sod out here, breaking a good sweat," said the son, sitting in an



Kevin Maris, son of the man who set baseball's home run record, coaches on the field named after his father.

Oak Hall dugout on a hot, humid afternoon. Looking out on the field, he remembered his father as an all-around player, an excellent outfielder and base runner.

Maris — 6 feet, 205 pounds, sturdily built and gifted with a compact, slightly upturned left-handed swing — preferred to go about his work and be left alone. He was not particularly articulate. Reporters pinned him against his locker before and after games, seeking some response, preferably something new, even as he wished futilely that what he did on the field spoke for him.

Then, too, many preferred that Maris's glamorous teammate, the switch-hitting Mickey Mantle — Joe DiMaggio's successor and a certain Hall of Famer — break Ruth's record if it had to be broken.

Even other Yankees favored Mantle, who batted fourth, behind Maris. "All the teammates were for Mickey to break the record," said former second baseman Bobby Richardson, who lives in South Carolina. A lay minister, Richardson delivered the eulogy at Maris's funeral and spoke at Mantle's.

"Mickey was thought of as the 'true' Yankee. Roger had been traded in from Kansas City. I think Roger understood. He was an unusual ballplayer. He didn't care about individual honors."

Maris started slowly in 1961, hitting only three home runs through May 16. But over the next 38 games he hit 24. He sought no record but once it became apparent that a record was possible, he wanted it.

He connected off good pitchers and, in an expansion season such as this one,

some who were marginal. The more he did, it seemed to him, the more was wanted from him. He grew increasingly anxious.

Maris withstood heartache, and more: Ford Frick, then the commissioner, struck at his soul. Frick, who had been a friend of Ruth's and once was Ruth's ghostwriter, ruled in July 1961 that Maris would have to break 60 in 154 games to set a record; if he did it later in the new 162-game schedule, an asterisk would be added. Maris felt the weight of opinion against him; it's still felt by his wife, Pat, their six children, his mother and his older brother.

But there's solace in this season. Kevin Maris said that because McGwire and the others have raised awareness about the difficulties involved in breaking the record, "I think there is understanding now about what it took to do what Dad accomplished in 1961."

On July 25, Maris hit two home runs in each game of a doubleheader against the Chicago White Sox at Yankee Stadium. That gave him 40.

In September, the Yankees, one of the best teams ever, finally opened some distance from the persistent Detroit Tigers to all but end the pennant race. Then, Mantle was knocked out of the home-run chase. Suffering flu symptoms, he received a shot from a doctor that resulted in an abscessed hip. Mantle could barely twist and swing a bat after that.

Maris was on his way to the record. Maris hit No. 59 in Baltimore off Milt Pappas on Sept. 20.

During the series, the Yankees played their 154th game. Orioles Manager Lumman Harris brought in the Hall of Fame knuckballer Hoyt Wilhelm to pitch to Maris in his last turn at bat within

Frick's prescribed deadline. Maris tapped back to the mound against a pitcher he always found difficult.

Afterward, Maris humbly told reporters that he had done his best and if all he merited was an asterisk, so be it. But there were more games; Maris kept swinging.

Maris hit No. 60 at Yankee Stadium on Sept. 26, in the 159th game. On Oct. 1, Maris hit No. 61, also at Yankee Stadium, off Boston's Tracy Stallard in the 163rd game.

It didn't get easier in later seasons. In 1962, he could not live up to expectations of another record-breaking season. Still, he averaged 35 home runs and 100 RBI for five years through 1962.

In 1963, he was often injured, the result of playing hard. But in 1964, he rallied for 26 home runs and 71 RBI. In 1965, he suffered a critical injury. Sliding back into second base, Maris broke his wrist. That, said his son Kevin, "robbed him of his power."

Roger Maris grew alienated from the Yankees because they played down the injury, leaving him to struggle with it. They showed him even less courtesy two years later.

"The Yankees traded him without telling him," Kevin Maris said. "He had been considering retiring. But instead of leaving the Cardinals on the short end, he said he'd play two years."

The Cardinals twice went to the World Series, winning in 1967.

Maris, happy at long last, did well — nine homers, 35 RBI and a .261 batting average in '67. "Dad went back to playing his game," said Kevin.

Eventually, baseball made official what almost everyone knew, that Maris was the sole record holder with his 61 homers, no asterisk needed.

**As Yankees Roll On, Streaking Orioles Edge Twins**

The Associated Press

**The New York Yankees** may be heading for a record-breaking season, but since the All-Star break the hottest team in baseball has been the Baltimore Orioles.

The Orioles beat the Minnesota Twins, 3-2, Monday in Baltimore and are 28-8 since the break. The victory

**BASEBALL ROUNDUP**

closed the gap between the Orioles and the Boston Red Sox, who occupy the American League wild-card spot, to 6½ games. The Orioles once trailed Boston by as many as 15½ games.

"It's pretty much like facing the Yankees — they make you throw good pitches," said LaTroy Hawkins, the Minnesota pitcher, after facing the Orioles. "You're not going to strike out many of their guys because they have a lot of professional hitters over there."

Scott Erickson (13-9) allowed two runs and seven hits in seven innings and matched his career high with 10 strikeouts.

Harold Baines drove in two runs for the Orioles.

**Yankees 7, Royals 1** Meanwhile, the Yankees continued to roll with a victory in Missouri. David Cone became the first 18-game winner in the major leagues, and Tino Martinez, Tim Lincecum and Bernie Williams homered.

Cone (18-4) allowed the one run and five hits in seven innings, and Chili Davis is returned from the disabled list with a run-scoring single. Davis had not played

since the second game of the season.

The Yankees are on pace to break the 1906 Chicago Cubs' record of 116 victories. They have an outside chance of clinching their division before the end of August.

**Indians 4, Devil Rays 3** In Cleveland, the rookie Richie Sexson was 3-for-4 with his first major league homer and two runs batted in as the Indians beat Tampa Bay to win for just the 18th time

**Mariners 3, Tigers 1** In Seattle, Jamie Moyer (10-8) beat Detroit for the third time this season, and Ken Griffey Jr. doubled twice.

Griffey, who leads the major leagues with 72 extra-base hits, was 2-for-4, striking out and flying out.

**Angels 7, White Sox 2** In Anaheim, the rookie Chris Fritchett drove in four runs and Phil Nevin hit a two-run homer as

powered the NL since being traded by Seattle on July 31 and was coming off two straight shutouts, including one against the Phillies.

But the 6-foot-10 ace was nowhere close to his usual, dominant self after striking out the leadoff man, Doug Glavine, on a fastball clocked at 96 miles per hour.

Johnson seemed uncomfortable on a mound that had been covered during an all-day rain. He gave up Byrd's run-scoring single in the second inning and a two-run homer to Scott Rolen in the fifth.

Johnson left after the fifth, trailing 3-0 after allowing six hits and four walks with just three strikeouts. In his previous 25 innings for the Astros, he had walked four and struck out 33.

Byrd had pitched only once in the majors this season, making an ineffective relief appearance for Atlanta on

April 19, and was claimed on waivers Friday after going 5-5 at Triple-A Richmond in Virginia.

With the fans standing and cheering, Byrd recorded the final out on Moises Alou's foul pop to Rolen at third. Rolen rushed to Byrd, handed him the ball and gave him a big hug.

"I was almost in tears at the end of the game," Byrd said.

The Braves cut Byrd last week to make room on the roster for the reliever Norm Charlton. The Phillies signed Byrd only because of injuries to their rotation.

Byrd, 7-6 in 87 previous games in the majors with Atlanta and the New York Mets, started on a shaky note, knocking off his last during his first warmup pitch and having to stop in mid-motion.

**Diamondbacks 6, Expos 1** In Phoenix, David Dellucci hit a three-run triple, and Andy Benes won his fourth consecutive start.



Peyton Manning of the Indianapolis Colts being sacked in preseason.

for 19 yards but dropped another.

**Colts 30, Bengals 27** Peyton Manning, the first pick in the NFL draft, led Indianapolis to 23 points in the first half as the Colts beat Cincinnati.

Manning completed 5 of 11 passes for 112 yards in the half and threw a 12-yard touchdown pass to Marvin Harrison. He looked much sharper than in his pro debut — a loss to Seattle.

**SCOREBOARD**

**FOOTBALL**

**BASEBALL**

**SOFTBALL**

**COLLEGE FOOTBALL**

**COLLEGE BASKETBALL**

**COLLEGE SOFTBALL**

**COLLEGE HOCKEY**

**PROFESSIONAL HOCKEY**

**PROFESSIONAL BASKETBALL**

**PROFESSIONAL SOFTBALL**

**PROFESSIONAL VOLLEYBALL**

**PROFESSIONAL TENNIS**

**PROFESSIONAL GOLF**

**PROFESSIONAL BOXING**

**PROFESSIONAL MMA**

**PROFESSIONAL JUDO**

**PROFESSIONAL KARATE**

**PROFESSIONAL SAMBO**

**PROFESSIONAL WRESTLING**

**PROFESSIONAL CYCLING**

**PROFESSIONAL SWIMMING**

**PROFESSIONAL ROWING**

**PROFESSIONAL CANOEING**

**PROFESSIONAL SAILING**

**PROFESSIONAL SHOOTING**

**PROFESSIONAL ARCHERY**

**PROFESSIONAL TABLE TENNIS**

**PROFESSIONAL BILLIARDS**

**PROFESSIONAL DARTS**

**PROFESSIONAL SNOW GOLF**

**PROFESSIONAL SKIING**

**PROFESSIONAL SKI JUMPING**

**PROFESSIONAL ALPINE SKIING**

**PROFESSIONAL CROSS-COUNTRY SKIING**

**PROFESSIONAL NORDIC SKIING**

**PROFESSIONAL BICHLING**

**PROFESSIONAL Luge**

**PROFESSIONAL KURLING**

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**PROFESSIONAL Luge**

**PROFESSIONAL KURLING**

**PROFESSIONAL BOWLING**



## SPORTS

# A Meaningless Cup May Mess Things Up

## Schedule Plays Havoc With Real Leagues

By Rob Hughes  
International Herald Tribune

LONDON — A Prediction: In the final month of this year a spate of top soccer players will check into clinics for essential surgery.

How do I know? Because if they don't, if they are fit, they will be compelled to play in the FIFA's Confederations Cup, a tournament that will include Brazil and France, at high altitude in January. Clubs who pay their stars upwards of \$50,000 a game are powerless to resist the order to release them even though this is a critical time of the league season, even though their athletes have already labored this summer through the World Cup.

Most players, particularly those whose limbs and lungs are overplayed, are running on worn joints and can do with a spot of surgical plumbing here or there. So it would be quite reasonable for the clubs to decide that late December is the time to operate. That, after all, is a month of rest for soccer in some European countries.

The clubs, anyway, are spitting blood. FIFA, the governing body of world soccer, has given the Confederations Cup full status, meaning that the coaches of the eight national teams involved, notably France and Brazil, can demand the release of the players two weeks in advance of the event, which runs from Jan. 9 to Jan. 20 in Mexico. Then the players face reconditioning to Europe's winter, Europe's sea level atmosphere.

It would be hard to exaggerate the risk for major clubs. Italy is not a participant in the Confederations Cup, not invited to the \$750,000-per-country tournament. But on Jan. 6 and again on Jan. 10, Juventus and Parma and Inter Milan, three Italian teams whose key players are on call to the Confederations Cup, play crucial matches in Serie A.

On Jan. 6, Juventus visits AC Milan, and Parma entertains Inter. The advantage for AC Milan is clear. It has no French or Brazilian players, but the French duo at the heart of Juve's team, Zidane and his captain, Didier Deschamps, are likely to be called to Mexico.

The French involvement in Mexico sends ripples across other ponds. Parma loses the ever reliable Lillian Thuram, while Inter Milan could be without Youri Djorkaeff as well as Ronaldo.

We cannot blame the national team coaches of France and Brazil, both of whom are new and who can hardly pass up the privilege of initiating their ideas in a relatively meaningless competition. But to show how thoughtless the scheduling is, Saturday, Jan. 9, day one of the Confederations Cup, coincides with potentially decisive games in England, where Arsenal plays against Liverpool, and Newcastle meets Chelsea.

The Chelsea team includes Frank Leboeuf and Marcel Desailly, the French center back pairing of the World Cup final. Newcastle has just bought the French striker Stephane Guivarc'h. And while Liverpool has no French connection, its opponent, Arsenal, would lose the midfield of Emmanuel Petit and Patrick Vieira, plus the emerging goalscorer Nicholas Anelka.

Arsenal is punished for its accent on French flair simply because of the arbitrary selection of Confederations Cup participants. Liverpool has a German forward, Karsten Riedle, who will not go to Mexico and who could strike Arsenal out of the championship race.

Thus, the confounded Confederations Cup is a capricious friend or foe. The tournament is supposed to be between the reigning champions of each continent, including Saudi Arabia from Asia, Egypt from Africa and, probably, Australia from Oceania. We then get Brazil as title holder, Mexico, as host, and the United States as runner-up in the 1998 Gold Cup.



TAKING WING — Marc Overmars of Arsenal, right, dribbling around Thierry Bonalair of Nottingham Forest. Overmars scored the decisive goal as Arsenal, the English champion, won its season opener, 2-1.

And from Europe? Not the European champion, which is Germany, but "the best European team at the World Cup," which, of course, is the world champion, France. Germany neither needs the money, nor thinks it will gain much kudos from yet another tournament. The Germans made it plain when the last Confederations Cup was held, in Saudi Arabia, that they thought more of the welfare of their players than the prize of an event of convenience.

The Confederations Cup is a great idea for smaller nations and continents out for the smaller mainstream. Their regions need exposure. They need television tournaments. They need FIFA to rule that the great players must visit them and, ostensibly, spread the gospel of the great game.

Tough luck on the clubs. Tough luck on players who, if the testimony of Roma coach Zdenek Zeman is credible, are resorting as much to performance-

enhancing drugs as riders in the Tour de France. Players, from Gianluca Vialli to Alessandro Del Piero, from Dino Baggio to Enrico Chiesa, have appeared before Italian magistrates to present their accounts and swear they have not knowingly been fed illegal substances. But in another land, Tony Adams, the mighty defender of Arsenal and England, contemplates early retirement because of the number of painkillers and anti-inflammatory pills he must take to get through the relentless grind at a top club as a World Cup year subsides.

His ankle is a mess, he has overcome one addiction, to alcohol, but fears the aftermath of another. Painkillers are drugs, too, curiously legal drugs condoned by authorities with a vested interest in pushing players to the limits and beyond.

Rob Hughes is chief sports writer of The Times of London.

# German Doctor Admits Giving Drugs to Women

By Rob Hughes

BERLIN — Germany's second doping trial against former East German sports functionaries opened Tuesday with a doctor's confession that he systematically administered performance-enhancing drugs to female swimmers.

However, Dr. Ulrich Suender, 58, denied that he knowingly damaged the health of the athletes, some as young as 12 at the time. He said he knew little about possible side-effects of steroids, and had heard they were reversible anyway.

"I believed that," he said. Dr. Suender, a second doctor and three coaches are charged with causing bodily harm to as many as 17 young female swimmers on East Germany's TSC Berlin team from 1978 to 1989. Prosecutors say they gave the drugs without telling the minors or their parents what they were taking.

In one case, one of the former swimmer's hormonal balance was so dis-

rupted by the steroids, which she started taking at 13, that she is now sterile.

Dr. Suender testified that he had no reservations about providing anabolic steroids in pill form to the team doctors, which was part of his responsibility. He denied ever giving steroid injections.

Also on trial are Dr. Dorit Roesler, 50, and three coaches, Peter Mattonet, 48, Berndt Christochowicz, 40, and Klaus Klemenz, 55.

The first trial involves coaches and doctors from the Dynamo Berlin swim team.

**Cycling Team Inquiry Ordered**

Bordeaux prosecutors on Tuesday ordered police to investigate the Cofidis cycling team after French customs officers confiscated banned substances from a team truck, court sources said.

The team's manager was questioned by authorities Tuesday before being released in mid-afternoon along with the truck driver and the team's mechanic.

# Spain Denies Doping Report

The Associated Press

MADRID — The government Tuesday denied allegations by the International Olympic Committee's anti-doping chief that Spanish sports physicians encourage athletes to take performance-enhancing drugs.

"Under no circumstances will we allow the good name of Spain's athletics federations and athletes to be smeared," said Eduardo Ayuso, the deputy secretary of state for sports.

Prince Alexandre de Merode, the head of the IOC medical commission, told the French newspaper Le Figaro that some Spanish doctors have "rejected the ethics of their profession."

"One must not forget that Spanish sports, for a long time, has had tendencies toward doping," he said. "We simply do not understand why he said this," Ayuso said. "In Spain the fight against drugs in sports has been growing for years."

De Merode was responding to comments by the IOC president, Juan Antonio Samaranch, who is Spanish, proposing a reduction in the list of banned drugs.

Ayuso said Samaranch is seeking to update the list and remove substances that are outdated and rarely used.

The IOC executive board is due to meet Thursday to discuss the growing drug scandal in sports. The IOC has scheduled a worldwide anti-doping summit meeting in January.

Phil Coles, an Australian member of the IOC, also criticized de Merode: "A lot of people are hoping he might retire. He's been there such a long time. You never know what he's going to say."

Coles also said the list of banned substances was too long but was likely to grow. "The list belongs to the IOC and its medical commission," Coles said. "It will be very hard to reduce, in fact they might even add to it."

## SCOREBOARD

### BASEBALL

#### MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE	W	L	Pct.	GB
NEW YORK	71	50	.587	0
BOSTON	68	53	.562	3
BALTIMORE	64	57	.527	7
TORONTO	63	58	.519	8
TEMPERARY	48	74	.393	24
CENTRAL DIVISION	W	L	Pct.	GB
CLEVELAND	65	55	.541	0
KANSAS CITY	55	65	.458	10
MINNESOTA	54	66	.448	11
DETROIT	48	74	.393	19
NATIONAL LEAGUE	W	L	Pct.	GB
ATLANTA	62	56	.521	0
NEW YORK	61	57	.516	1
PHILADELPHIA	61	57	.516	1
MONTREAL	58	60	.488	4
FLORIDA	48	70	.403	14
CENTRAL DIVISION	W	L	Pct.	GB
HOUSTON	76	49	.606	0
ST. LOUIS	59	65	.476	17
CHICAGO	59	65	.476	17
CINCINNATI	52	62	.450	24
PITTSBURGH	56	68	.448	19
WEST DIVISION	W	L	Pct.	GB
SAN DIEGO	60	64	.484	0
SAN FRANCISCO	62	62	.500	2
LOS ANGELES	57	67	.460	7
COLORADO	57	67	.460	7

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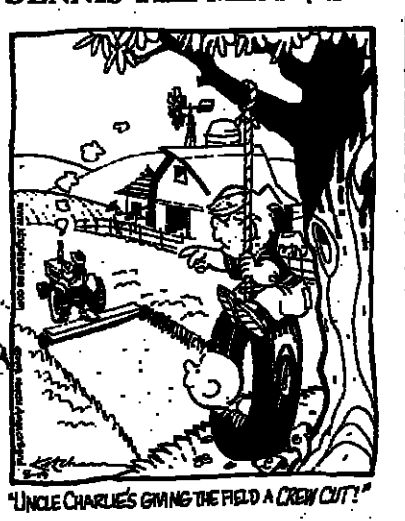
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### DENNIS THE MENACE



"UNCLE CHARLES GIVING THE FIELD A CREW CUT?"

### PEANUTS



"WHAT ARE YOU DOING AT THE FRONT DOOR? SUPPER DISHES BELONG AT THE BACKDOOR."

### GARFIELD



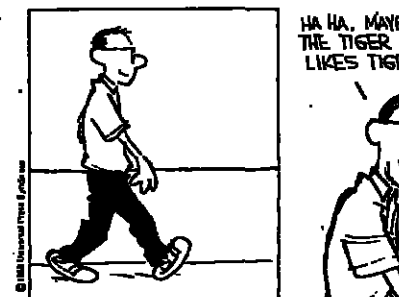
"ALL RIGHT, YOU CAUGHT ME... NOW WHAT?"

### WIZARD OF ID



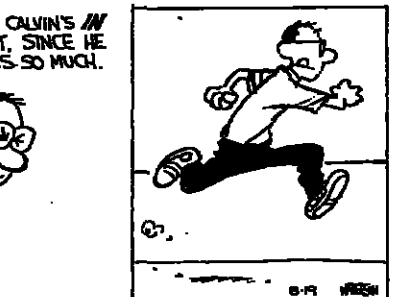
"I KNOW! MINE CALVES AT THE TIGER PIT, SINCE HE LIKES TIGERS SO MUCH."

### NON SEQUITUR



"OUR NEIGHBORHOOD WAS PRETTY KITZY."

### DOONESBURY



"THE HOME



## OBSERVER

## A Season's Lament

By Russell Baker

NEW YORK — Calendarically speaking, this is what the British used to call the silly season. It was a time for sightings of the Loch Ness Monster. Men stately as monuments fled Westminster for Scotland, there to shoot small birds. Newspapers doubled their usual volume of stories about ghost-infested houses and messages arriving from beyond the grave.

An annual silly season can be spiritually refreshing to a noble Anglo-Saxon nation like America, which also used to have one but doesn't seem to anymore. During those pauses in the year's tribulations, a nation's duty to improve the human race could be put aside for a few weeks and nonsense permitted to reign.

Here, people rolling in money went to Atlantic City to see the famous diving horse. Street carnivals blossomed in the grimmer sections of cities. A man could board a Ferris wheel in his own block and look down on the top of his rooming house and imagine he was Captain Roscoe Turner flying at the Cleveland Air Races.

Even Congress shut down and fled Washington. It had to. The Capitol wasn't air-conditioned. It's amazing how technology can affect a congressman's sense of duty. All Washington is now so magnificently air-conditioned that Congress never leaves.

City streets were full of people far into the night. Giving up the struggle to sleep on damp sheets in boiling bedrooms, men and women emerged from houses and sat on steps or porches talking softly to the sleepless neighbors on the steps next door.

A great deal of silliness still

survives in American August, but it is having a hard time standing up to the grim, sad, pious and solemn scowl that is the prevailing national expression.

In the past 70 years the country has never had such good reason to relax and enjoy a healthy bout of silliness as it has at this moment.

With money, money everywhere, we are free at last — free at last! — of ancient enemies and in such glowing health that we now live on and on and on, far beyond the age at which our ancestors went down the valley.

You might sensibly anticipate that a people so lucky, so blessed with such a delightful era in which to live, might naturally treat themselves to the kind of silliness for which August was made.

Well, there is plenty of silliness in the air, of course. For one, there is Topic A, also known as O.J. Simpson II. But to suggest that there's something ineffably silly about it would be to invite the vilest kind of abuse from millions who think it more critical to American destiny than the Battle of Saratoga.

As an institution, the silly season is probably all washed up in America. We now have the solemn season, which runs 12 months a year. Solemnity hates silliness as intensely as a Puritan hates a good time.

In a less solemn age, Topic A would be the subject of a riotous political comedy from Preston Sturges. Imagine Rudy Vallee as president of the United States, and you see what possibilities to make us laugh while seeing things clearly are now sacrificed to the principle of all solemnity all the time.

New York Times Service

## Preserving a City's Soul, and Keeping Its Heart

By Michael Kimmelman  
New York Times Service

FEZ, Morocco — The peak of development for the old walled center, or medina, of this city came during the 14th and 15th centuries, and the place looks as if it has hardly changed since then. There are almost no cars. Mules still lug goods through the narrow, labyrinthine streets. Metalworkers bang on pieces of copper in storefront shops barely bigger than steamer trunks. This is a city outside time.

It has also been a religious center for more than 1,000 years, anchored by the Karouine mosque and university. For first-time visitors, one of the unforgettable experiences is to be awakened around 4 A.M. by thousands of people at morning prayers. The sound fills the medina.

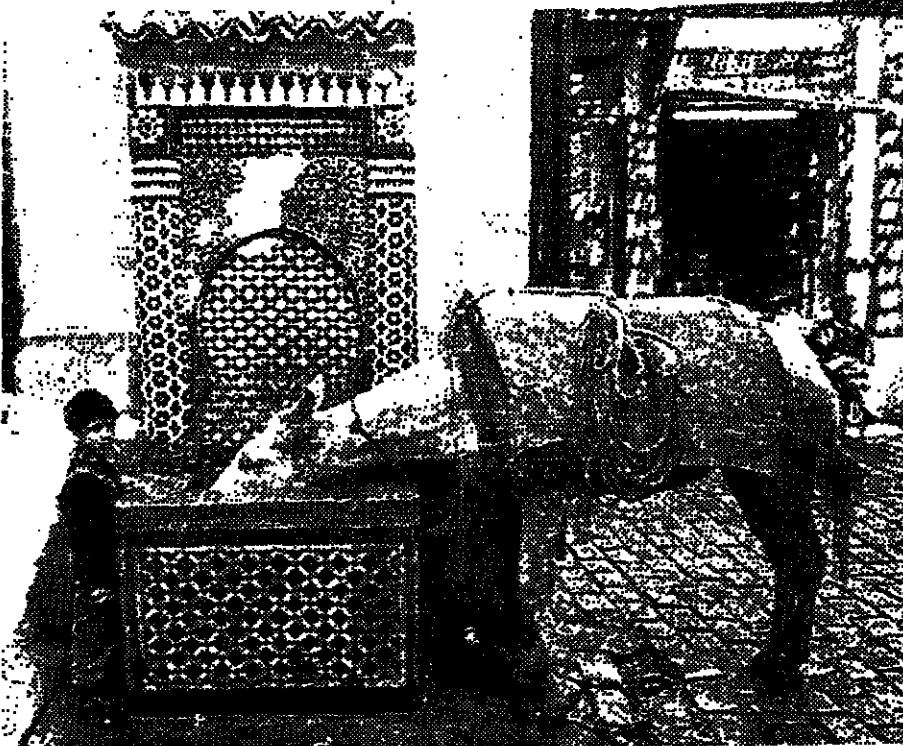
Fez is an ancient place, in other words, but also a functioning city, and one in need of repair. Several years ago Unesco named it a World Heritage Site, like the Old City of Jerusalem. But a major difference between the medina of Fez and almost all other ancient city centers in this part of the world is that it remains the hub of the local economy.

The Old City of Jerusalem, for example, is no longer the locus of that city's economy or civic life. Rome, which is a very different kind of ancient city, remains a capital, but at the cost of a certain modernization, as everyone who has dodged the traffic there knows.

People from throughout this part of Morocco, on the other hand, still shop in Fez's medina. Weavers work in it as they have for centuries. The problem is how to fix up the medina without fundamentally changing it, how to preserve it as a religious and economic center, how to avoid the disasters of countless downtown areas that have been turned into ghettos or theme parks or been blighted by shoddy development because of decades of misguided urban plans.

The remarkable news about Fez is that it seems to have learned from such mistakes without really having made any yet. Or at least there is an organization here that has begun to do things the right way. The Agency for the De-densification and Rehabilitation of the Medina is now working to preserve not only the great art and architecture of the place but also its most precious commodity, its historic soul.

The agency is still in its infancy, a small organization without much money but with some big ideas. The implicit question that the agency has raised seems to be no less than,



Mules still lug goods through the narrow, labyrinthine streets of Fez's medina.

what is civic culture? Is it an object like a building or a sculpture? Or can it be the life of a community, of which great architecture and art are parts?

The agency regards the medina as a neighborhood whose living links to the past are the city's true legacy. A historical artifact like a city, it recognizes, has an economic value that goes beyond tourism. Consequently the agency is hoping to accomplish several things at once: to repair the major monuments, a project that benefits tourists, but at the same time to improve the infrastructure for residents, cleaning up a polluted water system, for example.

The agency wants to obtain loans for homeowners to fix up their houses and to ease the severe housing crunch in the medina by giving incentives for some people to leave, thereby making it more appealing to the people who stay. It also is trying to rejuvenate industries that have been part of the life of the medina for a thousand years.

The agency has backed a school to train craftsmen in ancient Islamic building techniques, which include the sort of intricate stucco filigree that is one of Islam's great contributions to art. Some of the techniques were nearly forgotten here. Now they are being revived. The idea is that monuments in the medina can be restored in keeping with the original designs, but creatively; Craftspeople have added their own new decorations to buildings where old decorations like painted tiles or carved stucco have been lost.

One case is the Bou Inaniya, a lovely 14th-century medersa, or religious school, which was a picturesque but complete ruin until recently. With a private grant from King Hassan II to the agency, its stucco designs have been recreated and augmented and the place generally adapted to make a dormitory.

As great examples of religious architecture, such buildings in the West might be treated as museum objects, but here they are considered practical parts of the community. They are being returned to use in a process that provides jobs to local craftspeople doing local kinds of handiwork. In other words, no division is drawn between the past and the present, so that

what's old is made new through what's old. The agency's approach is slow and incremental, and not everyone in Morocco agrees with it. Detractors have asked, is this the best way to preserve historical monuments? Tradition notwithstanding, wouldn't modern building techniques be more efficient and less expensive?

But the agency is devoted to a broad, long-term view of historical preservation. A private organization, it receives some help from the Moroccan government. It is run by a local man named Abdel-Latif Hajjami, whose father was a religious adviser to the king.

He is a passionate and unshakable spokesman for his cause. Hajjami's focus was on the major monuments until people in the medina began to complain that their needs were being overlooked. Then a new plan was devised that better took into account the whole community.

The plan involves some small-scale modernizing interventions, for example, to provide limited access in the medina for ambulances and fire- and sanitation trucks to replace the donkeys. Some miniparks will also be created, because the medina has no places for children to play.

Some of the agency's more conspicuous successes, besides the Bou Inaniya, include the restoration of the Foundouk Nejjarine, a lodge, then a mosque that has now become a handsome woodworking museum in the carpenters' quarter.

In the end the question is whether it will really be possible to make the place more amenable to tourists yet not turn it into a theme park. With Fez especially burdened by building codes and fragmented ownership patterns, can the agency help eliminate the red tape to encourage more homeownership so that residents will feel it is worthwhile investing in the medina's improvement?

Hajjami sees a few trickle-down effects so far: the hiring in Spain, for instance, of craftsmen trained in Fez in the old arts of building construction, and voluntary improvements by some homeowners with faith in the medina's fiscal prospects.

But who knows yet? What's intriguing for now is the concept alone. Fez is a reminder that, elsewhere in the world, culture is more a matter of public identity, of local or national self-worth. It is inseparable from the people who made it, and defines them. The lesson here is that the life of the medina, its residents, and its art and architecture are inextricably linked.

## PEOPLE

The Long Island home of Madame Chiang Kai-shek, widow of the Nationalist general who fought Chinese communists in the 1940s, has been sold. The New York Times reported, Madame Chiang's residence for four decades, sitting on a huge tract in Lattingtown, New York, was sold for more than \$2.8 million to the Stillman organization, a construction company in Manhattan.

Carlos Santana, the 51-year-old leader of the group Santana, was honored with a star on Hollywood's Walk of Fame and used the occasion to help inaugurate "Cada Cabeza Es un Mundo/Each Mind Is a World," the Hispanic Media Group's national program to prevent Hispanic children from dropping out of school.

As the anniversary of the death of Diana, Princess of Wales, approaches, 70 percent of French people would like a street or plaza to be named after her, according to a Gallup Poll published in France-Soir newspaper. Since her death last Aug. 31 in Paris, a

makeshift memorial has been created above the Pont de l'Alma traffic tunnel.

Desmond Tutu, the former archbishop who is guiding the reconciliation process in

post-apartheid South Africa, will spend a year teaching at Emory University in Atlanta. Tutu is to preside over a session of the Truth and Reconciliation Commission in Cape Town on Wednesday and leave that evening for Atlanta, a spokesman said. Tutu

is expected to return to South Africa on Oct. 28 to present President Nelson Mandela with the commission's final report.

Record audiences of more than 400,000 over 10 days made this month's 28th Interceltic music festival in Brittany the most attended festival in France, its organizers declared. "We have passed a new threshold. There is no going back," said Jean-Pierre Pichard, director of the festival in Lorient that fuses traditional Celtic music with jazz and rock.

A photographer has accused the actor Sean Penn of hitting him with a rock after he videotaped the actor while he walked with his father, the director Leo Penn, on a rural road in California. No immediate charges were filed against Penn, who turned 38 on Monday. The actor, who served more than half of a 60-day jail term last year for violating parole by punching an extra during the filming of "Colors," told the police that the photographer, Michael Sindell, lunged at him and was hit.



Carlos Santana on Hollywood's Walk of Fame.

## Musee Jacquemart-Andre Restores Tiepolo Frescoes

New York Times Service

PARIS — Until Oct. 15, visitors to Paris can view the painstaking restoration of three frescoes by Giambattista Tiepolo at the Musee Jacquemart-Andre. The museum, still something of a secret to many tourists, is the only museum in France with frescoes by the Venetian master.

"Henri III's Arrival at the Villa Contarini" is part of a collection of 18th-century art purchased by Edouard Andre and his wife, the portraitist Nelly Jacquemart, in 1893 to decorate their mansion, which became the museum, at 158 Boulevard Haussmann in the eighth arrondissement.

A circular staircase in the marble winter garden leads to the scaffolding where six

restorers are uncovering the original blue, pink and yellow pastels used by Tiepolo when he painted the frescoes in the mid-1750s. The works — one central fresco and two side panels — depict spectators on balconies viewing Henri III's arrival in Venice, where he visited Federico Contarini, the doge, in 1574.

Three other Tiepolo frescoes decorate ceilings elsewhere in the mansion: "The Announcement of Henri III's Arrival" in the dining room, "Hercules's Triumph" in the study and "Peace and Justice" in the boudoir.

The artist will be the subject of a special exhibition at the museum from Oct. 20 through Jan. 20.

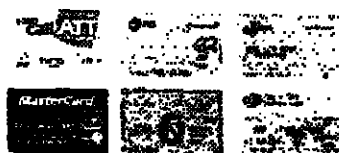


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